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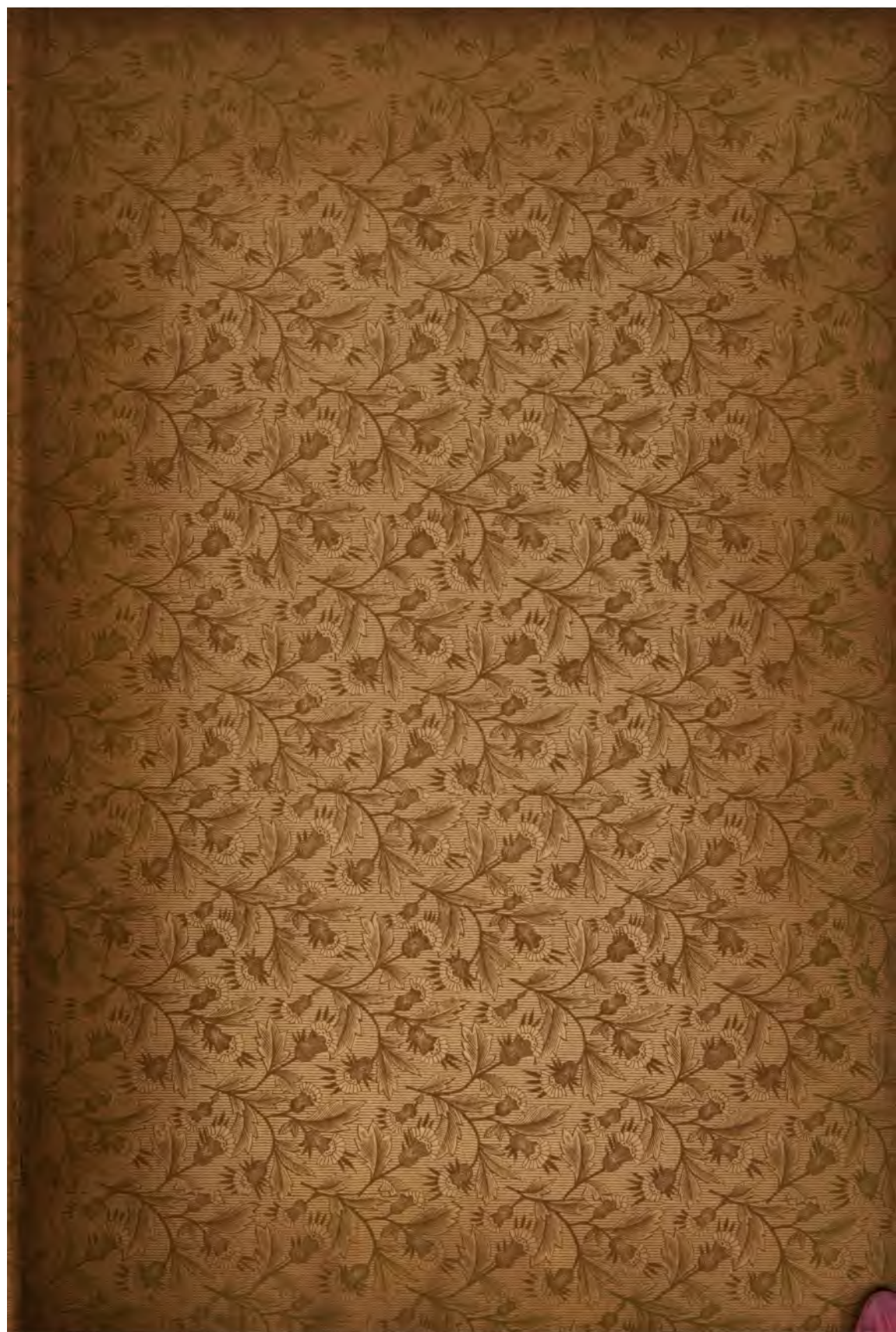
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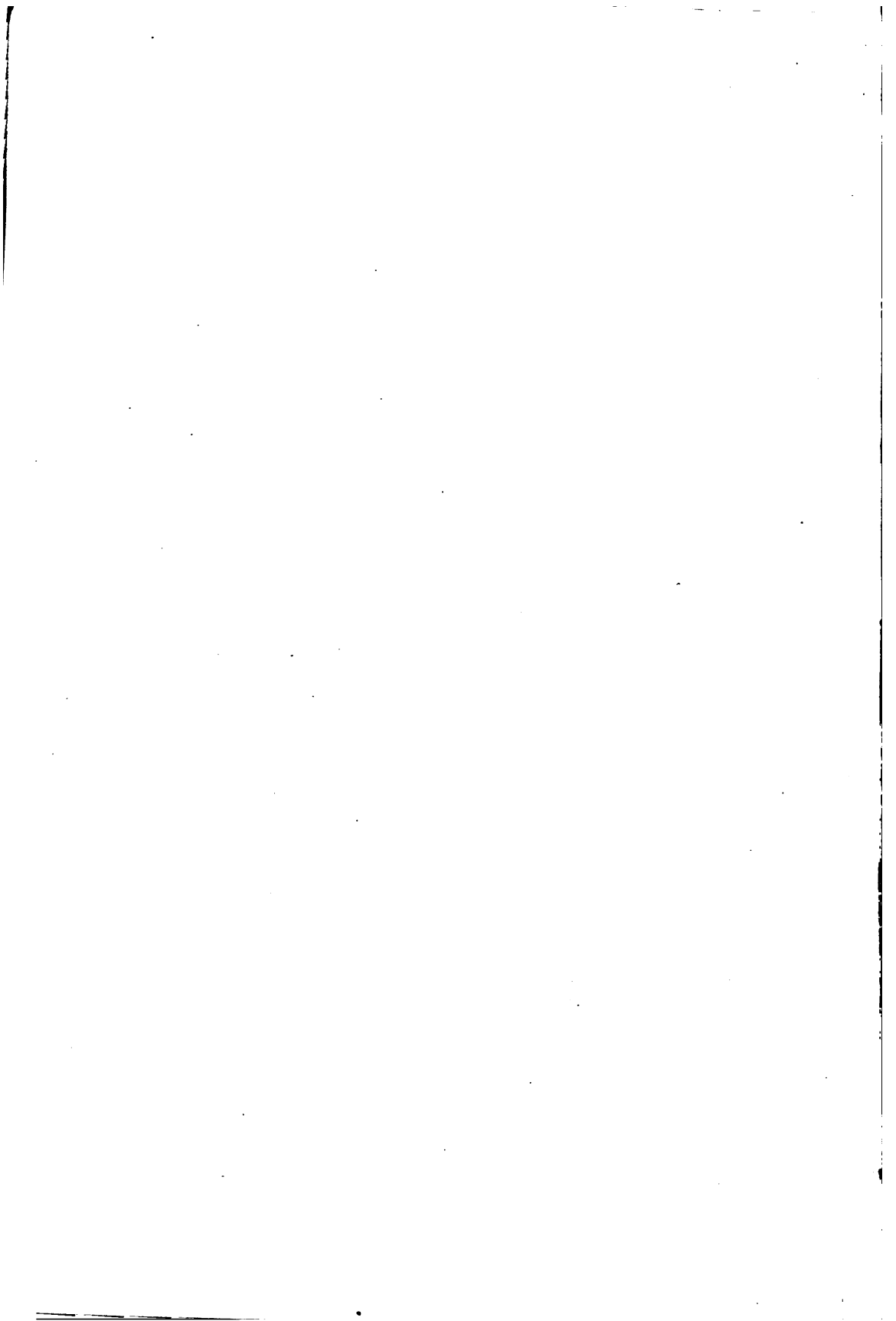




MR. ISIDOR SINGER,

31 DEC. 1987

F. C.
S. C.



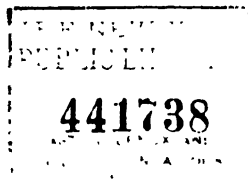
PROCEEDINGS
OF THE
TWENTY-EIGHTH ANNUAL MEETING
OF THE
FIRE UNDERWRITERS' ASSOCIATION
OF THE NORTHWEST.



CHICAGO, ILL., SEPTEMBER 29-30, 1897.

PRINTED BY ORDER OF THE ASSOCIATION.

1897.



KING-FOWLE-McGEE CO.,
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"Ex fumo dare Lucem."—HOR.

TWENTY-EIGHTH ANNUAL MEETING

OF THE

FIRE UNDERWRITERS' ASSOCIATION

OF THE NORTHWEST.

PRESIDENT.

GEO. H. MOORECHICAGO, ILL.
Assistant Secretary Liverpool & London & Globe Ins. Co.

VICE-PRESIDENT.

STEPHEN E. CATE.....CHICAGO, ILL.
Special Agent and Adjuster Delaware and Reliance Ins. Cos.

TREASURER.

JOS. A. KELSEY.....CHICAGO, ILL.
Manager Aachen and Munich Ins. Co.

SECRETARY.

E. V. MUNN.....CHICAGO, ILL.
Adjuster.

BOARD OF DIRECTORS.

CHAS. H. BARRY, Manager Pennsylvania Fire.....CHICAGO, ILL.
JOS. A. KELSEY, Manager Aachen and Munich.....CHICAGO, ILL.
R. B. CARSON, Special Agt. and Adj. Com'l Union, Eng.....CHICAGO, ILL.
E. V. MUNN, Adjuster.....CHICAGO, ILL.
GEO. H. MOORE, Asst. Sec'y Liverpool & London & Globe.....CHICAGO, ILL.
S. E. CATE, Special Agent and Adjuster Delaware and Reliance.....DES MOINES, IA.
C. L. ANDREWS, Secretary Detroit Fire and Marine.....DETROIT, MICH.
T. R. DANIEL, State Agent N. British and Mercantile.....MINNEAPOLIS, MINN.
W. L. STEELE, State Agent Caledonian, Scotland.....MADISON, WIS.
J. M. RICHARDS, State Agent and Adjuster Ins. Co. North America
and Philadelphia Underwriters'.....OMAHA, NEB.
C. W. FORT, Resident Secretary N. British and Mercantile.....KANSAS CITY, MO.
JAS F. JOSEPH, Special Agent Phenix, Brooklyn.....CINCINNATI, OHIO.
M. L. SEARS, State Agent Phoenix Assur. CoKANSAS CITY, MO.

PROGRAM
OF TWENTY-EIGHTH ANNUAL MEETING.

FIRST DAY.

OPENING SESSION—9:30 A. M.

Annual Reports of Officers. Election of New Members.
Reports of Standing Committees.

PRESIDENT'S ADDRESS.

ANNUAL ADDRESS—MR. E. C. IRVIN, President Fire Association of Philadelphia, Pa.
PAPER—"The Future of Fire Insurance Business from a Local Agent's Standpoint,"
MR. J. A. GARVER, JR., Des Moines, Ia.
DISCUSSION.

AFTERNOON SESSION—2:30 O'CLOCK.

PAPER—"The Force of Circumstances," MR. JOHN E. DAVIES, Racine, Wis., State Agent
Etna Fire Insurance Co., Hartford, Conn.

DISCUSSION.

PAPER—"Insurance from a Business Man's Standpoint," MR. HARLOW N. HIGINBOTHAM,
of Marshall Field & Co., Chicago, Ill.

DISCUSSION.

PAPER—"Loyalty and Co-Operation," MR. FRANK H. WHITNEY, Detroit, Mich., Sec-
retary Michigan Fire and Marine Insurance Co.

DISCUSSION.

PAPER—"The Best Fire-Proof Construction for Buildings Occupied for Mercantile Pur-
poses," MR. W. L. B. JENNEY, of the firm of Jenney & Mundie, Architects, Chicago, Ill.

DISCUSSION.

PAPER—"Hostility of the Public Toward Fire Insurance Companies. What we Have
Done to Cause it and What we Can do to Remove it," MR. WALTER H. COBBAN,
Minneapolis, Minn., State Agent Manchester Fire Assurance Co.

DISCUSSION.

SECOND DAY.

MORNING SESSION—9:30 O'CLOCK.

PAPER—"Special Agents versus Local Board Inspection," MR. JAMES F. JOSEPH, Cin-
cinnati, Ohio, State Agent Phenix Insurance Co. of Brooklyn.

DISCUSSION.

PAPER—"Discriminating and Unjust Legislation," MR. H. R. HAYDEN, Editor *Weekly
Underwriter*, New York.

DISCUSSION.

PAPER—"Underwriters' Associations Generally," MR. C. F. MULLINS, San Francisco,
Cal., Manager Commercial Union Assurance Co. of England.

DISCUSSION.

PAPER—"The Local Agent," MR. H. R. LOUDON, St. Louis, Mo., State Agent Liverpool
& London & Globe Insurance Co.

DISCUSSION.

PAPER—"The Satellites in the Insurance Business," MR. R. S. ODELL, Chicago, Ill.,
Special Agent Connecticut Fire Insurance Co. of Hartford.

DISCUSSION.

AFTERNOON SESSION—2:30 O'CLOCK.

A Practical Illustration of the Use of Acetylene, by MR. A. H. MULLIKEN, of Chicago,
President of Illinois Acetylene Co.

Reports of Committees on Deceased Members.

Election of Officers for the Ensuing Year.

A banquet will be given in the Banquet Hall of the Auditorium Hotel at 8 o'clock
on the evening of September 30. Tickets for the banquet can be secured from the door-
keeper at the time of the meeting.

The officers of the Association trust that the members and their friends will gen-
erally join us at the Banquet Board, and hope that many of our members will arrange
to have their ladies present on that occasion.

PROCEEDINGS

OF THE

Twenty-Eighth Annual Meeting of the Fire Underwriters' Association of the Northwest,

Held at the Auditorium Hotel, Chicago, Sept. 29 and 30, 1897.

FIRST DAY.

OPENING SESSION.

WEDNESDAY, September 29, 1897.

The meeting was called to order at 10 o'clock A. M., the President, Mr. Geo. H. Moore, in the chair.

Present: E. V. Munn, Secretary, and the following regular members, viz.:

Abbott W. S.	Berry E. H.	Carver J. G.	Crosley Geo. R.
Adams Geo. W.	Blackwelder I. S.	Cary Eugene.	Cunningham W. H.
Affeld Chas. E.	Blauvelt Albert.	Caswell Jas. H.	Dallas W. I.
Allabach E. W.	Bliven Walte.	Cate S. E.	Dana Francis.
Althouse W. L.	Boning Herbert E.	Chamberlin W. O.	Dana H. C.
Alverson H. C.	Bradley C. B.	Chapman W. A.	Daniel Lewis F.
Andrews C. L.	Eradshaw W. D.	Clarke H. W.	Daniel T. R.
Andrews D. W.	Brant J. A.	Clough Allen E.	Daniel Wm. C.
Auerbach B.	Briggs N. E.	Cobban Walter H.	Davies John E.
Avery Frank M.	Briggs Theo. W.	Collins Martin.	Davis John H.
Bailey Geo. A.	Brooks Fred S.	Colson H. W.	De Forest E. F.
Bailey J. W.	Brown Wm. C.	Cornell H. F.	De Roode Holger.
Barnard C. F.	Bullard A. F.	Cowles C. S.	De Veuve Jas. H.
Barnum W. L.	Bush Henry W.	Cramer Adolf J.	Devin D. T.
Barry Chas. H.	Bush J. B.	Crandall A. A.	Devin Geo.
Batchelder G. H.	Calley E. J.	Crandall H. W.	De Witt C. L.
Becker E. A.	Campbell E. T.	Crandall W. H.	Dike Henry A.
Belden J. S.	Carlisle Henry W.	Crawford H. F.	Dunlop Chas. D.
Beh G. H.	Carpenter J. D.	Cree Will C.	Dunning F. A.
Bennett H.	Carson R. B.	Croskey T. F.	Ebbert Geo. G.

Eddy Geo. M.	Hubble J. W.	McSween J. F.	Southwick S. H.
Eddy H. C.	Hubble L. J.	Meeker C. G.	Spoerer F. E.
Edmonds J. F.	Hunter R. H.	Meinel F. A.	Sprague Samuel E.
Englemann C. P.	Ingram John C.	Miller A. F.	Stark L. C.
Errett F. J.	Jardine Robert.	Miller C. N.	Starr J. A.
Esler R. B.	Jessop R. N.	Miller W. L. W.	Stauffer J. Geo.
Eustis Truman W.	Johnson Jas. J.	Mitchell Chas. F.	Steele W. L.
Evans A. N.	Jones N. B.	Mitchell Wm. A.	Stone John
Fargo F. M.	Joseph Jas. F.	Moffett M. B.	Stuart H. C.
Fisher G. M.	Julian N. T.	Monroe A. R.	Sutton J. R.
Fisher Thos. A.	Keeler N. E.	Montgomery I. S.	Taylor C. F.
Fisher Walter I.	Kelley W. P.	Moore C. H.	Thomas John E.
Fletcher John S.	Kelly Wm. B.	Moore Geo. H.	Tolles Fred. W.
Footo A. D.	Kelsey H. N.	Moore M. S.	Townley W. R.
Foreman E. P.	Kelsey Jos. A.	Moore R. B.	Townsend A. F.
Fort C. W.	Kelsey Preston T.	Mott Geo. C.	Tripp S. W.
Foster Wm. R.	Kemp O. C.	Mueller G.	Tritle F. L.
Friedly H. H.	King W. L.	Munn E. V.	Tuttle L. S.
Furlong John P.	Kingsley Cal. L.	Munson E. A.	Turner C. H.
Gadsden J. S.	Kitson Harry.	Munson E. C.	Van Allen G. A.
Gildden H. H.	Knighton P. H.	Nelson A. M.	Vandeverter W. E.
Goff E. L.	Kreismann F. H.	Neuberger J. M.	VanValkenb'g M. W.
Gooch Robt E.	Lee Frederick W.	Nolte H. A.	Vere Milton P.
Gray H. P.	Leisch C. W.	O'Brien J. W.	Waggoner Sol. E.
Gray J. H.	Lemon Chas. E.	Odell R. S.	Wagner D. S.
Greely Otto E.	Lenahan J. H.	Olds A. C.	Walker H. H.
Griffith J. H.	Little F. W.	O'Neill V. T.	Wardle H. M.
Griffiths J. C.	Little F. W. Jr.	Page Wm. E.	Warfield L. A.
Hainsworth Jos.	Littlejohn W. J.	Persch C. F.	Warner J. H.
Hall Cecil A.	Loudon H. R.	Pinkney A. E.	Warren W. S.
Hall Henry.	Loudon W. S.	Poinier E. W.	Washington H. B.
Hall J. B.	Love A. J.	Rassweiler H. H.	Webster Thos. H.
Harbeck Eugene.	Lovejoy Geo. M.	Raymond M. H. N.	Wells David W.
Harford W. P.	Lowry W. D.	Raynolds R. L.	Welpton D. B.
Harvey Geo. M.	Luce C. H.	Reynolds Geo. W.	Welpton S. S.
Harvey R. D.	Luce Fred. B.	Reynolds M. A.	West B. L.
Hawxhurst W. F.	Lyon Geo. M.	Richards J. M.	Wetmore E. R.
Hayes Geo. W.	Magill Henry W.	Richardson Chas.	Wheeler E. S.
Hayes G. W. Jr.	Main Geo. C.	Riddle J. Irving.	White H. W.
Hayes J. J.	Main W. E.	Ritchie Frank.	Whitlock H. H.
Heaford H. H.	Maitland T. L.	Rogers C. B.	Whitlock J. L.
Hebgen Gust.	Manners Robt. R.	Rollo Wm. F.	Whitney F. H.
Herdeggen S.	Mariner W. E.	Sanderson A. G.	Wile Edwin W.
Hershey H. H.	Martin P. B.	Schnitzler Theo.	Windle Jos. J.
Heywood H. B.	Matteson David J.	Sears M. L.	Witherbee A. S.
Higbee W. E.	McAnally F. T.	Sheridan J. P.	Witherbee W. E.
Higley Chas. W.	McConkey E. K.	Sikkema U. H.	Witkowsky Con.
Hitchcock E. M.	McGill M. R.	Simonson C. F.	Wittick W. A.
Holt W. E.	McGregor P. D.	Smith Horace M.	Wood H. N.
Holman Isaac W.	McKean R. G.	Smith R. J.	Woodbury Cyrus.
Hubbard Fred A.	McMahon G. P.	Smith T. H.	
Hubble John P.	McMillan L. S.	Smith Thos. H.	

Press represented as follows:

NAME.	PAPER.	ADDRESS.
F. H. Leavenworth.....	<i>The Indicator</i>	Detroit, Mich.
A. H. Huling	<i>The Argus</i>	Chicago.
P. S. Goodman.....	City Press Association.....	Chicago.
LeRoy Armstrong.....	<i>Evening Post</i>	Chicago.
S. Ellis.....	<i>Investigator</i>	Chicago.
Chas. A. Jenney.....	<i>Weekly Underwriter</i>	New York.
R. M. Buckman.....	<i>Standard</i> , Boston.....	Chicago.
W. C. Grigsby.....	<i>Rough Notes</i>	Chicago.
L. H. Martin.....	<i>Rough Notes</i>	Indianapolis.
N. H. Weed.....	<i>Western Insurance Review</i>	St. Louis, Mo.
Clarence Axman.....	<i>Insurance Herald</i>	Louisville.
E. Jay Wohlgenuth.....	<i>Ohio Underwriter</i>	Cincinnati.
Geo. J. Reif	<i>Insurance Herald</i>	Louisville.
Geo. W. Hayes	<i>Monitor</i>	New York.
C. M. Cartwright.....	<i>The Inter-Ocean</i>	Chicago.
W. L. Lowrie.....	<i>Chicago Tribune</i>	Chicago.
J. S. Bloomington.....	<i>The Investigator</i>	Chicago.
H. E. Roberts.....	<i>The Surveyor</i>	New York.
Frank L. Miner.....	<i>Post</i>	Chicago.
W. E. Underwood.....	<i>Radiator</i>	New York.
G. L. McKean.....	<i>Independent</i>	Chicago.
T. A. Warren.....	<i>Insurance World</i>	Pittsburgh, Pa.
A. E. Harrell.....	<i>Chronicle</i>	New York.
Geo. W. Hatch.....	<i>Insurance Age</i>	
F. C. Oviatt.....	<i>Philadelphia Intelligencer</i>	Philadelphia.
C. A. Hewitt.....	<i>Insurance Post</i>	Chicago.
Garrett Brown.....	<i>Insurance Report</i>	Denver.

The President—

Gentlemen, the meeting will please come to order. The first business is the calling of the roll.

A Member—

Mr. President, I move that we dispense with the calling of the roll and the reading of the minutes of the last meeting.

Seconded. Motion put by the Chair and carried.

The President—

The next in order is the report of the Finance Committee of the Board of Directors.

REPORT OF FINANCE COMMITTEE.

Mr. Cate—

MR. PRESIDENT AND GENTLEMEN: We, the undersigned Finance Committee, beg leave to say that we have examined, in detail, the

books and accounts of E. V. Munn, our former Treasurer of this Association, and have given them a very thorough overhauling. We have also examined the books and accounts of J. A. Kelsey, the Treasurer, and find the accounts of both gentlemen correct as presented.

It is gratifying to the Finance Committee to be able to say that they find a balance in the treasury of \$238.49. We desire to say that this balance is brought about principally from the fact that the members responded very generously to the assessment call which was issued, thus materially aiding the Finance Committee to be able to present a report in the form we do. We regret, however, to say that there are a great many members of this Association who, for some cause unknown to the committee, have refused to pay any attention to the call for the assessment, although the Treasurer has notified them several times, urging upon them the necessity of their responding to the call. We take it that every member of this Association has the interest of it at heart in every particular, and why they should refuse to remit the amount of their assessment—\$5.00 per member—we are unable to say. We trust, however, that those members who are delinquent in this respect will take it upon themselves to see the necessity of placing the Association in even a better financial standing than it is at present and respond at once by handing in the amount of their assessment. It will be a source of gratification to the Committee, and should be a source of pride to all members of this Association.

S. E. CATE,
R. B. CARSON,
GEO. H. MOORE.

Chicago, Ill., September 29, 1897.

The President—

I will supplement this report by saying that this Association started in debt this year, as you will remember, about \$2,000. This report shows we have eliminated this debt entirely and have a balance of \$238 on hand. (Applause.) There have been a great many criticisms on account of the deplorable condition of our finances last year. We take pleasure in saying that Mr. Munn's books were correct in every particular. There was an error of \$5.00, but it was in his favor.

Gentlemen, you have heard the report read. What is your pleasure?

A Member—

I move that it be accepted.

Motion seconded and carried unanimously.

The President—

The next in order is the report of the Secretary.

REPORT OF SECRETARY.

1896-1897.

Fire Underwriters' Association of the Northwest.

MEMBERSHIP.

At commencement of 1896 meeting.....	477
Admitted 1896 meeting	60
Total	537
Resigned and dropped for non-payment	13
Died during year.....	5 18
Membership at this date.....	519

RECAPITULATION.

Honorary members	6
Associate members	1
Active members	512
Total	519

Respectfully submitted,

E. V. MUNN,

Secretary.

Chicago, Ill., Sept. 28, 1897.

The President—

Gentlemen, you have heard the report of the Secretary. What is your pleasure?

A Member—

I move that the report of the Secretary be accepted and placed on file.

Motion seconded and carried unanimously.

The President—

The next in order of business is the report of the ex-Treasurer. Mr. Munn acted as Treasurer part of the year.

REPORT OF EX-TREASURER.

1896-1897.

Fire Underwriters' Association of the Northwest.

RECEIPTS.

Dues 1896	\$1,907.50
New members.....	364.00
Delinquents.....	110.00
Rentals from Illinois State Board.....	150.00
Sale of Back Proceedings.....	19.50
Special assessments.....	1,050.00
Total	<u>\$3,601.00</u>

DISBURSEMENTS.

Balance 1896 Report.....	\$ 6.08
Printing.....	692.58
Reporting Meeting, Stenographer, etc.....	243.00
Rentals to Home Insurance Co.....	1,030.62
Salary of Secretary.....	300.00
Banquet, Complimentary guests	132.00
Taxes	31.83
Decoration of Hall.....	20.00
Postage, Telegrams and Express.....	75.90
Office Expense and incidentals.....	44.75
Remittances to J. A. Kelsey, Treasurer	1,024.24
Total	<u>\$3,601.00</u>
Total Receipts.....	\$3,601.00
Total Disbursements.....	3,601.00

Respectfully submitted,

E. V. MUNN,

Ex-Treasurer.

Approved :

S. E. CATE,
R. B. CARSON,
GEO. H. MOORE,

Committee.

The President—

Gentlemen, you have heard the report of the ex-Treasurer. What is your pleasure?

A Member—

I move that the ex-Treasurer's report be received.

Motion seconded and carried unanimously.

The President—

The next in order is the report of the Treasurer. While we are waiting for him the Secretary will read some correspondence.

CORRESPONDENCE.

The Secretary—

Executive Mansion, Washington.

The President regrets his inability to accept the courteous invitation of the Fire Underwriters' Association of the Northwest, to attend its Twenty-Eighth Annual Meeting, to be held at the Auditorium Hotel, Chicago, Illinois, on September 29 and 30, 1897.

Monday, September 20, 1897.

Hartford, September 22, 1897.

George H. Moore, President, Chicago, Ill.

My Dear Sir: I am in receipt of your very kind invitation to attend the meeting of the Fire Underwriters' Association of the Northwest.

It would give me great pleasure to be present on that occasion and meet the Underwriters of the Northwest, but business engagements will prevent my having this pleasure. I am always interested in the proceedings of these meetings, and shall hope to receive a full report of what is done.

Please extend to the members of the Association my congratulations upon the successful carrying out of the work committed to their hands, and, with very kind regards, believe me,

Very sincerely yours, GEO. L. CHASE, President
The Hartford Fire Ins. Co.

Philadelphia, September 24, 1897.

George H. Moore, Esq., President.

Dear Sir: I am in receipt of your kind invitation to attend the annual meeting of the Underwriters' Association of the Northwest on the 29th inst., for which I beg to thank you, and to express my regrets that I will be unable to be present. Yours truly,

EUGENE L. ELLISON.

Boston, September 8, 1897.

Geo. H. Moore, President, Care E. V. Munn, Secretary Underwriters' Association of the Northwest, Beloit, Wis.

Dear Sir: Your very courteous remembrance in sending us invitation to be present at the Twenty-Eighth Annual Meeting of the Under-

writers' Association of the Northwest on September 29 and 30, is at hand, and it is with regret that we are obliged to decline the same, as it will be impossible for us to be with you at that time.

Very truly yours,

C. M. GODDARD, Secretary

New England Ins. Exchange.

Atlanta, Ga., September 20, 1897.

George H. Moore, Esq., President Underwriters' Association of the Northwest, Chicago, Ill.

Dear Sir: I beg that you will accept my apology for delay in acknowledging your courteous invitation to attend the Twenty-Eighth Annual Meeting of the Underwriters' Association of the Northwest, and assuring you of my thanks and appreciation, and wishing you a most successful and interesting meeting, I beg to remain,

Very truly yours,

EDWARD S. GRAY, Manager

Ins. Co. of North America.

New York, August 30, 1897.

Geo. H. Moore, Esq., President Fire Underwriters' Association of the Northwest, Chicago, Ill.

My Dear Sir: I am in receipt, this morning, with your compliments, of invitation to attend the meeting of the Association on the 29th proximo.

Unfortunately, engagements will prevent my being present. I feel that such meetings are educational, and that no underwriter can afford to lose the opportunity which they present for acquiring knowledge of our unlearnable business.

Thanking you for your courtesy and for remembering me, and with best wishes for the success of the meeting and of the Association,

I am, very truly yours,

F. C. MOORE, President

Continental Ins. Co.

Boston, September 25, 1897.

Geo. H. Moore, Esq., President, Chicago, Ill.

Dear Sir: I have delayed reply to the invitation received through your courtesy to attend the Twenty-Eighth Annual Meeting of the Fire Underwriters' Association of the Northwest, to be held in Chicago the 29th and 30th, on account of my absence from the city, also my desire, if possible, to accept.

I now find it is impossible for me to be with you on that occasion. I remember with much pleasure the twentieth anniversary, which I had the honor of attending as a representative of the New England Insurance Exchange. I am very much interested in the National Fire Protection Association, and hope that its objects and purposes may be more fully understood and appreciated by underwriters throughout the country, especially those interested in the improvement and protection of risks.

This Association is young in years, but I feel that it has a long and useful future. I hope some time in the future that this Association may be officially represented at the meetings of your honorable body.

Very sincerely yours,

U. C. CROSBY, President
National Fire Protection Association.

Hartford, Conn., September 22, 1897.

George H. Moore, Esq., President Fire Underwriters' Association of the Northwest, Auditorium Hotel, Chicago, Ill.

Dear Sir: I take pleasure in acknowledging receipt of your kind invitation to me to be present at the meeting to be held on the 29th and 30th of the present month, at the Auditorium Hotel, Chicago, by the Fire Underwriters' Association of the Northwest, and I deeply regret that it will not be possible for me to be present. I earnestly trust that the meeting will be not only a successful one, but extremely satisfactory to you as President of the organization, and remain

Most truly yours,

D. W. C. SKILTON, President
The Phoenix Ins. Co.

New York, September 13, 1897.

George H. Moore, Esq., President Fire Underwriters' Association of the Northwest, Auditorium Hotel, Chicago, Ill.

My Dear Sir: I am in receipt of your esteemed invitation to attend the annual meeting of the Fire Underwriters' Association of the Northwest, to be held on the 29th and 30th days of September.

I remember with great satisfaction the last time I had an opportunity to attend the meeting of your Association, and am gratified to learn that interest in the same has not only been kept up, but has been on the increase.

I have read with interest the subjects that are to be brought before the meeting, and congratulate the members upon the consideration of matters so important to our business as are those that are to be brought before the meeting by such competent experts.

Regretting that I cannot attend, and thanking you for your kind invitation, I am, as ever, Yours very truly,

GEO. P. SHELDON, President
Phenix Ins. Co.

St. Paul, August 30, 1897.

Hon. Geo. H. Moore, President Fire Underwriters' Association of the Northwest, Auditorium Hotel, Chicago, Ill.

My Dear Sir: I acknowledge herewith receipt of your very kind invitation to be present at the Twenty-Eighth Annual Meeting of the Fire Underwriters' Association of the Northwest, to be held on September 29th and 30th, 1897. It will surely afford me great pleasure to avail myself of your kind courtesy thus extended, if it is possible for me to do so. Your program indicates that the meeting will be one of great interest, not only to the fire insurance fraternity, but also to the insuring public, and I thoroughly appreciate the fact that if the Insurance Commissioners of the various States could avail themselves of the opportunity to meet with you at these meetings, much would be accomplished towards securing better and more intelligent State supervision of insurance matters. There is no disputing the fact that more thorough and practical knowledge on the part of the supervising officers of insurance matters of the various States would remove, in a very large degree, the stigma that now attaches to State supervision. Insurance companies, as well as the general public, are entitled to their just rights under the statutes, and in all cases where there appears an evident intent on the part of an Insurance Commissioner to deny such rights, it generally can be charged up to ignorance or over-officiousness. Every Insurance Commissioner who thoroughly posts himself as to the duties of his office, and studies the scientific as well as the practical side of all insurance matters, both from the companies' as well as the general public's standpoint, is sure to attain a reputation as a good official, and in order to do this he cannot become too thoroughly or well acquainted with the leading practical insurance men who have made a life-study of the business.

Sincerely thanking you for your kind invitation, and trusting that I may enjoy the great privilege of being with you on the dates in question, I remain, Very sincerely yours,

ELMER H. DEARTH, Insurance Commissioner
State of Minnesota.

Philadelphia, September 1, 1897.

George H. Moore, Esq., President Fire Underwriters' Association of the Northwest, Chicago, Ill.

Dear Sir: I have the pleasure of acknowledging the receipt of your very polite invitation extended to me to attend the Twenty-Eighth

Annual Meeting of your Association on the 29th and 30th of September, at the Auditorium Hotel in Chicago.

It would give me great pleasure if I were in a position to accept, but unfortunately my duties are such that it will be impossible for me to leave at that time. The program is certainly an attractive one, and I do not doubt that the result of the meeting will redound to the good of the business generally.

Please extend my cordial greetings to all the members, and believe me,

Yours very truly,

CHAS. PLATT, President
Ins. Co. of North America.

Hartford, Conn., September 16, 1897.

George H. Moore, President Fire Underwriters' Association of the Northwest, Auditorium Hotel, Chicago, Ill.

Dear Sir: You will please accept my most sincere thanks for your kind invitation to attend the Annual Meeting of your Association on the 29th and 30th inst. It is possible, although not probable, I may be present on one of the days mentioned. It will give me much pleasure to attend if I am able to do so.

With my best wishes for the continued success of your Association, am

Yours truly,

W. B. CLARK, President
Ætna Ins. Co.

Dale Street, Liverpool, September 8, 1897.

G. H. Moore, President Fire Underwriters' Association of the Northwest, Chicago, Ill.

Dear Sir: I thank you very much for your kind invitation to attend your Twenty-Eighth Annual Meeting at Chicago on the 29th and 30th inst., and I regret that it is impossible for me to accept, as I must be here, and (except in spirit) I have not yet learned how to be in two places at the same time.

I am sure it is quite unnecessary for me to wish you a good time on the occasion. I am, dear sir,

Yours very truly,

H. ALSOP.

Washington, D. C., September 7, 1897.

George H. Moore, Fire Underwriters' Association, Auditorium Hotel, Chicago, Ill.

My Dear Sir: I note with pleasure the receipt of your invitation to the Twenty-Eighth Annual Meeting of your Association. I remember the very pleasant visit I had with your members at their last session, and I very much regret that I cannot be with you this year.

Very truly yours,

WILLIS L. MOORE.

Chief of Weather Bureau.

The President—

We will dispense with the further reading of correspondence, and Mr. Cate, in the absence of Mr. Kelsey, the Treasurer-elect, will read his report.

REPORT OF TREASURER.

Chicago, Ill., September 29, 1897.

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

In view of the fact that two partial reports of the finances of the Association will be submitted, it will clear up matters if the members will recall that at the meeting a year ago the office of Treasurer was created, prior to that time the duties of the Secretary and Treasurer being performed by the same official. At that same meeting the Secretary submitted a statement of the liabilities of the Association under date of September 28th, 1896, showing an indebtedness of \$1,678.03. At a meeting of the Directors immediately following the final adjournment of the Association, a Finance Committee was appointed, consisting of Messrs. S. E. Cate, R. B. Carson, and G. H. Moore. Subsequently this committee made a very thorough examination of the affairs of the Association and found that it would be impossible to clear up the indebtedness from the one source of revenue, viz., the annual dues. It was therefore resolved that an assessment of \$5.00 be levied upon each member. I want to say here, in explanation, that no particular persons are to be criticised for the bad state of the Association's finances. The liabilities were not created by the establishment of a library here in Chicago, as many of the out-of-town members supposed. We had been spending more than our income during the past three years, with the usual result. To the credit of the Association, it is a pleasure to state that about one-half of the members responded to the request of the Finance Committee, and with the aid received from this source, and by making a sharp reduction in the fixed charges, we are pleased to present to you gentlemen a statement showing an actual balance of \$238.49.

We have but one unpaid printing bill amounting to \$32.50, and that would have been disposed of except for the reason that we have been asked to pay what, in our judgment, is an exorbitant figure. Should the numerical strength of the Association remain about the same, the income received from the annual dues will be ample to cover the expenses, and leave a small surplus.

At the last meeting of the Association a resolution was introduced to amend the By-laws with regard to the re-instatement of those members who have resigned or been dropped from the rolls. We believe that this resolution should receive the unqualified support of the Association, and we hope to see it incorporated as a part of our legislation.

Respectfully submitted,

J. A. KELSEY, *Treasurer.*

STATEMENT 1897.

Received from E. V. Munn, Secretary.....	\$1,024.24
“ “ Special assessment of January 6, 1897	600.00
“ “ Dues year 1894	10.00
“ “ “ “ 1895	15.00
“ “ “ “ 1896	110.00
“ “ “ “ 1897	15.00
“ “ proposed new members for initiation fees and dues of 1897.....	78.00
Total	\$1,852.24
Paid for rent to Oct. 1, 1897.....	\$642.34
“ “ stationery and printing.....	814.95
“ “ stenographic work.....	36.00
“ “ express charges.....	32.87
“ “ removal expense.....	40.00
“ “ office incidentals, ice water, etc.....	15.00
“ “ insurance directory.....	1.00
“ “ engrossing tickets '97-8.....	5.00
“ “ postage.....	26.00
“ “ exchange.....	.30
“ “ telegram.....	.29
Total	\$1,613.75
Balance cash on hand.....	238.49

J. A. KELSEY,

Treasurer.

The President—

Gentlemen, you have heard the report of the Treasurer. What is your pleasure?

A Member—

I move that the report be accepted.

Motion seconded and carried unanimously.

Mr. S. E. Cate was here called to the chair, and the President then read the following address:

PRESIDENT'S ADDRESS.

GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTH-WEST:

Man, as an individual, creates. Once having evolved, from certain complex principles, a definite something, be it in whatsoever department of life's work, he wishes the opinion of other men upon the same.

The diamond in the rough is useless, yet, when polished, becomes a thing of wondrous beauty. Contact is necessary to produce the

result. The musician creates combinations of sound destined to please and delight the civilized world. Upon a single instrument the effect is hardly apparent—the grand orchestral rendition electrifies an audience. So it is with man. Much for good emanates from the brain of a single individual, but it is through consideration and development of these ideas by many minds, combining them with force, that progress is established. Hence comes the desire for meetings, called “Conventions,” the clearing houses of men’s ideas.

This is the twenty-eighth annual gathering of this Association, held principally for the benefits we derive from an interchange of ideas on all important subjects relating to our profession. The social feature of these meetings is also of great importance. Here we meet on terms of equality and friendship, having a common purpose in view. The old veterans I see about me will, I am sure, do their full share in entertaining, and make it pleasant for our invited guests, and the new members of our Association. Old tales may be told and retold, and many new and valuable acquaintances formed. By constant attention we can do honor to the gentlemen who have come from the far East and West, the North and South, having spent valuable time to prepare papers, giving us the benefit of their best thoughts. Our program is an excellent one, and assures you sufficient entertainment and instruction to engage our fullest attention. With this in view, can you conceive anything more pleasant in the career of every President of this Association than this hour—the hour which makes it his duty to bid you all a hearty welcome?

Our Association is highly honored to-day by the presence, as our invited guests, of men prominent in our profession, among whom are the following:

E. C. Irvin, President Fire Association, Philadelphia.
C. F. Mullins, Manager Commercial Union Ins. Co., San Francisco.
R. B. Beath, President The United Fireman’s, Philadelphia.
Tetnall Paulding, President Delaware Insurance Co., Philadelphia.
Wm. Chubb, President Reliance Insurance Co., Philadelphia.
John J. Henry, President Newark Fire Insurance Co., Newark.
John C. French, President New Hampshire.
Chas. S. Hollinshead, President Union, Philadelphia.
I. Remsen Lane, President Hanover, New York.
Geo. Ingraham, Vice-President Phenix, N. Y.
S. Y. Tupper, President Southeastern Tariff Association.
H. C. Stockdell, General Agent Phenix of N. Y., Atlanta.
J. A. Macdonald, President Queen of America, N. Y.
P. E. Rasor, U. S. Manager Magdeburg, N. Y.
* W. B. Clark, President Ætna, Hartford.

These gentlemen are well known to the insurance world, and need no introduction at my hands. They are men who, through their own efforts, and true worth and merit, have attained their present eminence in the front rank of our profession. We are glad, gentlemen, to have

you with us, and it gives me great pleasure, in behalf of the Fire Underwriters' Association of the Northwest, to extend to each of you a cordial welcome. Our sincere wish is that you will take part in our discussions, thereby giving us the benefit of your valuable advice, and for this purpose we extend to you the usual courtesies of the floor.

To the Insurance and Daily Press, who never fail us on these occasions, and who have always taken a prominent part in making our meetings a success, and who have contributed some of our most valuable papers, we extend to each of you a most cordial welcome.

We are glad to see so large an attendance, but in the midst of our joy let us not forget that a number of familiar faces we have seen at our annual gatherings are not with us to-day. As your President, it becomes my painful duty to announce to you that, during the past year, death has claimed ten of our most valuable members. They have been called to a higher and nobler life.

CHAS. C. HINE, late editor of the *Insurance Monitor*, was long an esteemed, beloved and honorable member of this Association, and for a third of a century well known throughout the land as a scholarly writer and an accomplished orator. His opinions, as expressed in his valuable journal and on the platform, have carried weight and wielded a strong influence in the interests of conservative and intelligent underwriting. He delivered his first address before this Association at its Sixth Annual Meeting in this city, September, 1877, and for over twenty years was in attendance at each annual meeting with the single exception of the year 1890, when he was detained on account of illness. He was unanimously made an honorary member of the Association in 1886 and has read a paper each year since that date with a single exception. His loss to this Association is irreparable. He was born in December, 1825, and died at his home in Newark, N. J., on the 17th of last April.

ABRAM WILLIAMS, late General Agent of the Connecticut Fire Insurance Company, born at Utica, N. Y., March 31, 1830, died at his home in this city January 2, 1897. When I say that Abram Williams' name stood as high as any on our roll, I believe I voice the sentiment of this entire Association. He was one of "Nature's noblemen," strong in mind, conservative in action, a fair competitor, kind and thoroughly honest. This Association honored him by electing him President in 1887.

"A whiter soul, a fairer mind,
A life with purer course and aim,
A gentler eye, a voice more kind,
We may not look on earth to find.
The love that lingers o'er his name
Is more than fame."

JOHN C. PAIGE, of Boston, the brightest and most influential Insurance Agent in New England, died May 8, 1897, at the Hotel Vendome in Boston. He commenced his insurance career as a Local Agent in Hanover, N. H., and has served as Special Agent, General Agent and

United States Manager for several companies. He was a good organizer and thorough business man. Through his own efforts he succeeded in working up one of the largest Local Agencies in this country. He joined our Association in 1872, and was one of our warm supporters.

GEO. W. HALL, Deputy Inspector of the Michigan Inspection Bureau for the Northern Peninsula of Michigan, joined our Association in 1875, and continued his membership until the date of his death, which occurred in Sault Ste. Marie, Mich., June 19, 1897. Mr. Hall has occupied many positions of importance and trust, and has shown excellent judgment and tact in performing the difficult duties in which he was engaged.

MAJOR GEO. S. ROPER, Secretary of the Manufacturers and Merchants' Mutual Insurance Company of Rockford, who joined our Association in 1873, died at his home in Rockford, February 3, 1897, in his sixty-fifth year. He was a member of the Loyal Legion, a Knight Templar, and a highly respected citizen.

SETH EGGLESTON, General Adjuster of the Providence-Washington Insurance Company, joined our Association in 1891. He died at his home in Des Moines, December 11, 1896. He was a man of positive character and marked ability as an Adjuster.

A. P. COLE, State Agent of the New York Underwriters' Agency for Indiana, who joined our Association in 1894, died at his home at Marshall, Ill., October 25, 1896. Though young in field experience, he was well versed in the details of his profession and rapidly winning his way to the front.

FRANK W. ARMSTRONG, Special Agent of the Merchants of Newark, N. J., for Indiana and Kentucky, died at his home in Indianapolis, August 27, 1897. An experienced underwriter of marked ability.

A. J. TRUMBULL, Special Agent of the Fire Association, an old member of this Association, died at his home September 13, 1897. He was an all-round field man of more than ordinary ability, and as true as steel.

J. C. MYERS, State Agent of the Insurance Company of North America—Vice-President of this Association in 1888—died at Grand Rapids, Mich., September 17, 1897. He was a noble fellow beloved by all who knew him best.

Anticipating your wishes, Committees have been selected in advance to prepare suitable resolutions to commemorate the memory of these departed members, and they are requested to be prepared to make their reports to-morrow afternoon.

Upon the death of C. C. HINE—Messrs. I. W. Holman, H. C. Eddy, J. O. Wilson.

Upon the death of ABRAM WILLIAMS—Messrs. W. H. Cunningham, Geo. M. Lyon, J. S. Belden.

Upon the death of JOHN C. PAIGE—Messrs. Eugene Harbeck, D. C. Osmun, H. C. Hill.

Upon the death of GEO. W. HALL—Messrs. Geo. W. Adams, Geo. E. Redfield, J. Mabbett Brown.

Upon the death of GEO. S. ROPER—Messrs. W. L. Barnum, J. P. Sheridan, I. S. Blackwelder.

Upon the death of A. P. COLE—Messrs. L. E. Hildreth, R. N. Jessop, J. B. Wharton.

Upon the death of FRANK W. ARMSTRONG—Messrs. H. H. Friedley, L. D. Moody, D. A. Rudy.

Upon the death of SETH EGGLESTON—Messrs. M. W. Van Valkenburg, H. C. Stuart, Chris. Stawitz.

Upon the death of A. J. TRUMBULL—Messrs. Otto E. Greely, E. M. Hitchcock, E. H. Berry.

Upon the death of J. C. MYERS—Messrs. M. H. N. Raymond, H. C. Alverson, D. W. Wells.

During the year three others (one an older member of this Association), all prominently identified with the insurance business in our field, have passed away:

F. C. BENNETT, General Agent of the *Ætna* Insurance Company, Cincinnati.

CHAS. C. LITTLE, Vice-President of the Phenix Insurance Company, New York.

DAVID BEVERIDGE, who at the time of his death held no official position.

Should any of our members desire to pay tribute to their memory, we shall be glad to have them do so to-morrow afternoon immediately after reports on deceased members.

LIBRARY.

On the 1st of May, when our lease expired, we removed our library from the Home Insurance Building to the fourth floor of the Manhattan Building. We succeeded in securing very desirable quarters at a very large reduction in rental, saving about \$500 per annum.

Our library has a most valuable collection of books and pamphlets for general reference, and other valuable collections, among which the photographs of deceased members may be of interest to some of you. The objections and arguments we hear annually against the further expenditure of money for our library—that but few ever consult the contents of its shelves—is unworthy of serious consideration. During the past year a number of valuable books have been added, the gift of Mrs. C. E. Bliven. I trust the Association will acknowledge same in suitable manner at this meeting. I believe it important that a complete catalogue of our library be prepared, and respectfully recommend that the Library Committee be authorized to employ some competent person to do so during the coming year.

The Treasurer has presented a most gratifying report, showing an actual balance on hand—the first for a number of years. As most of you know, you turned over to the present officers an Association heav-

ily involved. We found our Association almost \$2,000 in debt. We also found that we had a fixed expense of about \$2,900 per annum. We have succeeded, by making an assessment, in paying this entire indebtedness, and have reduced the fixed expense about \$900.

Changes that affect us are constantly taking place, and it is at the meetings of the Northwestern Underwriters' Association that they are usually considered and discussed, and a consensus of opinion arrived at as to the best methods of meeting and treating them. But Underwriters' Associations are not the only bodies that seriously consider and discuss insurance, as is evidenced by the attention that is given this important branch by the Legislatures of our States. While it is true the Legislatures make us a great deal of trouble by passing many laws that are bad, not only for the insurance companies, but the insuring public as well, yet there are exceptions to the rule. I call your particular attention to the fact that one of our great Western States has recently shed a ray of light on the rather dark path usually followed by Legislatures. I refer to the State of Wisconsin, and the wise counsel of its chief insurance official, through whose influence we are undoubtedly indebted for the recent laws passed in that State, viz., the law which gives companies the right to use Co-insurance Clauses under the Reduced Rate Agreement, and the insurer the option to take advantage of the reduced rate, or pay an additional rate for a policy without it. I think you will agree with me that this is a just law. Had the insurance companies thought of and placed the Reduced Rate Agreement into practice long ago, the legislation against Co-insurance Clauses might have been prevented. I desire to recommend to this Association that it lend its influence and use every honorable means to have a similar law passed in every State that prohibits Co-insurance. I would further recommend to companies and Managers that, in all States that now permit the use of Co-insurance, they adopt and put into practice at an early date the system now in use in Wisconsin.

The other law to which I wish to call your attention is the law which gives to the Local Agents the right to organize Local Boards and make their own rates. The principle of this law is correct. It is a recognition of the Local Agent. While I do not believe it public policy for Agents to make their own rates, believing that rate-making should be reduced to a science and therefore should be done by an expert, not only for the benefit of the insurer but the insured as well, I do believe they should be made a party to all Boards and Bureaus, and have a voice in rate-making, as well as rate-maintaining, in their own towns.

The Local Agent is the backbone of our Agency system. Has he been deprived of any of the rights or privileges that are properly his, and that he formerly enjoyed? Have the changed conditions affected him disadvantageously, either individually or as our Agent? If conditions exist that render his work less pleasant or less profitable than it should be, this Association should seek to improve them.

While I do not wish to attack the Inspection Bureau system as a whole, we should consider its effect upon our Agents and upon the insuring public. During the past ten years Agents have been so nearly relieved of responsibilities that they are looked upon by the insurer as automatons, rather than the dignified representatives of honorable companies. The breach between the companies and the insuring public has widened under the Bureau system, as is clearly evidenced by the numerous Anti-compact laws. How best to close this breach is the problem.

As we can best reach and educate the public through our Agents, we cannot bring them too near to us. There is no danger in making them feel the important part of our plant they are. On the contrary, I am firmly of the belief that therein lies our safety and hope. Let them feel they are Agents in fact, and not in name only, and that they have a joint and common interest with their companies.

To illustrate what Local Agents can do, let me call your attention to the power and influence they wielded in the States of Oregon, Washington and Montana about three years ago. When the Pacific Union went to pieces, and a rate war was inaugurated on the Pacific Coast—one that was widespread, and ruined many a good Agency and cost the companies millions—at that time, when the Managers and companies were powerless to control the situation, the Local Agents arose in their might and said to the companies and their Managers, "We will not submit to this suicidal policy; we propose to protect our business and yours as well." And they kept their promise. They organized State Associations, elected their officers, appointed their Manager, and have maintained fair and equitable rates, and preserved the dignity of the business. This only illustrates what good Agents can do in time of need. Should we not recognize their worth as an important factor in the preservation, as well as the making, of our business? Let us preserve in them all the prerogatives properly theirs.

MULTIPLE AGENCIES.

The anomaly of creating rivalry between Agents, having jurisdiction in identical territory for the same company, whether under its proper or assumed name, should receive more than passing consideration. This spur to business, when in operation naturally, produces only friendly relations and harmonious action with those in competition, but when turned against itself it becomes unfriendly, creating dissension and distrust in business transactions. How large must be the territory, or how great the population, or how varied and numerous the hazards, which will furnish room enough for such rivalry to operate without friction, are, with overhead writing, the problems which must be solved in the near future, else history will repeat itself and evils will have grown to such importance as to become fixtures in our business, and a constant menace to the obtaining of best results.

INSURANCE COMMISSIONERS.

The office of the Insurance Commissioner is one of great power, and may be, too, of great usefulness. It may be employed to conserve the public good, or it may be misemployed to confuse proper methods of business, and bring injury to both the insurer and the insured. The opportunities which the Commissioner enjoys from his independent standpoint of observation, enable him to judge wisely and impartially in regard to abuses and the proper remedies to be applied. Many of the best laws affecting our business, and many, too, of those that are worst, have been framed to express the wisdom and justice, or the demagogic venom, of the Insurance Commissioner. The Commissioner holds a trust which he should perform with judicial fairness! He should always be a counselor, and never a dictator. The legislation he proposes should never be of a partisan character; his constituency embraces the whole people—those who own insurance stocks, as well as those who own stocks of merchandise. We invite legislation when it is fair-minded and just. As there have been great statesmen, great jurists, and great financiers, so, too, there have been those eminent for their ability and honesty of purpose as Commissioners of Insurance.

These men have gained for themselves an honorable distinction among their fellows, and will long be remembered for their wise administration of an important public office.

IS SUCCESS ASSURED?

The evolution in our business during the past few months has developed the fact to the insurance world that we have wise, conservative and earnest men in our profession, who, amid the turmoil of to-day, are striving for a better to-morrow. In the face of what seemed to be the most bitter and ruinous rate war our business has ever experienced—one that would have been widespread, and the ruin of many companies, Agencies, and the loss of position to many members of this Association—they quietly succeeded in bringing harmony to our ranks, securing a higher, better and more harmonious platform for our profession: one that is worthy the emulation of this Association, and which, if accepted by individual companies, assures success.

At our annual gatherings harmony and good fellowship have bound us closely together. May this spirit prevail during our present session and at its termination each member feel that benefits have been derived from the exchange of ideas affecting our common interests and an increased love for our Fire Underwriters' Association of the Northwest.

The address of the President was received with applause.

The Chair (Mr. Cate)—

Gentlemen, you have heard the address of the President. The usual custom is to refer the address to a committee of five. A motion to that effect will now be entertained by the Chair.

A Member—

I move that the address of the President be referred to a committee of five.

Seconded. Motion carried unanimously.

COMMITTEE ON PRESIDENT'S ADDRESS.

The Chair (Mr. Cate)—

I will appoint as such committee Messrs. J. W. O'Brien, of Grand Haven, Mich.; D. W. Wells, Chicago; Geo. M. Fisher, Chicago; W. E. Page, Milwaukee, Wis.; H. H. Walker, Chicago.

(Here the President resumed the chair.)

The President—

The next on the program is the Annual Address. It is my privilege, as well as pleasure, to introduce the gentleman who this year will deliver the Annual Address—a man of wide experience in our profession, who commenced his insurance career at the bottom of the ladder, and by faithful and meritorious service has worked himself up to the Presidency of a company occupying a position in the very front rank—a man whom it is a pleasure to know and honor.

I have the honor of introducing Mr. E. C. Irvin, President of the Fire Association of Philadelphia.

(Applause.)

ANNUAL ADDRESS.

Mr. E. C. Irvin—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

It is customary on occasions of this kind for the speaker to apologize for his address, pleading want of time, lack of ability, etc.—“a custom more honored in the breach than the observance,” but he would need be a very wise man, or a very self-confident one, indeed, who could expect to produce any new grain from the straw that has so often been threshed for you by many of the most experienced and able men in our business.

It is a pleasure to be associated with the gentlemen of the Association of the Northwest in any capacity, and I assure you that I feel it a great honor to be invited to deliver the Annual Address on your twenty-eighth anniversary, regretting only that it has not been conferred upon one who could do it justice.

On February 18, 1752, appeared in Benjamin Franklin's Pennsylvania Gazette, published in Philadelphia, a notification which read as follows:

"All persons inclined to subscribe to the Articles of Insurance of houses from fire, in or near this city, are desired to appear at the Court House, where attendance will be given to take their subscriptions, every Seventh Day, in the afternoon, until the 13th of April next, being the day appointed for electing twelve Directors and a Treasurer."

On the 13th of April of the same year, 1752, was completed the organization of the Philadelphia Contributorship, and that company is still in existence.

This, Mr. President, was the first call issued in this country for the consideration of the great business of fire insurance, and until the formation of that organization fire insurance, as known to us, had no real existence in this country, and Philadelphia, the "birthplace of American Liberty," claims the honor of being the birthplace of American insurance.

One hundred and forty-five years after this first insurance meeting we come together to consider the same subject, "Indemnity from loss by fire." While almost unparalleled progress has been made, and many subjects have agitated the minds of underwriters during this time, two great questions seem to be most important, on which seem to depend the prosperity of our business—the questions of rate and expense. What should we reasonably demand and receive from the public in order that we may be prepared to give it indemnity, after paying the legitimate and necessary expenses of our business? This is the problem that has puzzled the minds of underwriters all these years, and there never was a time that this question demanded our serious consideration more than the present.

If I were to make the assertion here that many rates were too high, most of you would regard that as a novel proposition to be argued before an insurance meeting; but if I stated the converse of this, that many rates were too low, it would appear to you as a very proper sentiment, and have your entire approval. However, one of these statements is as true as the other. The difference is that we have long been accustomed to the idea that rates should be advanced; we have been in the habit of curing all the ills of the insurance business by raising rates, and the art and necessity of reducing rates have had little or no attention at our hands.

To such an extent has this been the case that I think it may even be reasonably asserted that high rates have done the companies more harm than good. Every period of great loss has resulted in an advance of rates, and as a rule greater than was necessary. Then we have had two or three years of abnormal profits, which have tempted capital to organize new companies, have encouraged loose practices in all directions, and have furnished the occasion and the excuse for broken agreements. Swift and certain retribution has followed in the shape of unlicensed and unreasonable competition; month by month the margin of profit has grown smaller, until finally business has been done at a loss, and profits, accumulated in previous years, have been swept away.

Then we have employed the old, the only remedy we know, of advancing rates. Such, in general, has been the history of underwriting, but are we not beginning to see that high rates are not the panacea for all our evils?

Nearly all our Associations agree to maintain tariff rates, and most of them limit the rate of commission as well. When certain classes of risks, or certain sections of territory, are for years notoriously profitable, then rates are apparently too high. When companies can cut tariff, rates and still make their business profitable; when they can pay more than 15 per cent. commission and still have something left, the rates evidently are too high. When these conditions exist, whether the offenders be Association or non-Association companies, the very strength of our agreements becomes their weakness; we invite, foster, and support our worst form of competition. When we recognize that such conditions exist, and meet them by sufficiently reducing the rates on those classes, and in those sections, to wipe out the margin of abnormal profits, we will do away at once not only with the occasion and excuse for cut rates, and excess commission, but we will render them impossible, because they will not pay. It will not then take long for all of us to discover where and what rates are too low, and being deprived of the benefit of rates too high, we will soon be united in an honest effort to maintain all rates where they should be.

We are all familiar with the public denunciations of trusts and syndicates. The reason always alleged for this feeling is that they are organized and exist for the purpose of raising or maintaining the prices of their products. While I do not assert that a trust, or syndicate, or association will or indeed ought to succeed, even if it is able to lower the price of its product (be it policies or petroleum), it certainly will not be gainsaid that it cannot be permanently successful unless it does so. I do not now recall any Association or Board, organized in the insurance business, which has had for its object, or even one of its objects, the cheapening of the cost of insurance for the public, and I think the time has come when, as a matter of defensive business policy, that side of the question should have some attention at our hands.

As the situation is at present, we are giving the public 65 cents protection for one dollar premium, and the public is getting tired of having no reasonable explanation of the whereabouts of the other 35 cents. High rates, like charity, have been made to cover a multitude of sins. They have been made to hide not only errors of underwriting, to pay the losses of this or that "department," to support this or that new scheme, but they have enabled us to look with complacency on an increasing expense ratio, and have encouraged us to try plans that the commonest kind of business common sense condemned in advance.

Through our Associations we should be able to reduce the expense of doing business. Those Associations should exist not to increase rates; not to maintain present rates when they are too high, but,

through the interchange of opinions and ideas, and by united action, to enable us to reduce to the public the cost of its insurance; to reduce for ourselves the expense of doing business; and to render it possible for us to do business in a business-like way. Until we can do these things, and until the public can be brought to see that we are doing them, we must expect to meet everywhere, as Associations, or Boards, and as individual corporations, the prejudiced public opinion, which finds its ready outlet in the hostile legislation that has so greatly complicated our methods, and threatened our existence during recent years.

From these statements I do not wish to be understood as being in favor of a general reduction of all rates; on the contrary, I believe that on many classes, and in some localities, the present rates are below the profit line; but I advocate an equality and uniformity of rate in proportion to the hazard assumed, so that any one class shall be equally as profitable as the other, and this of itself will reduce the cost of doing business to the extent, at least, of the extra commissions now paid for the present preferred classes.

We can no longer successfully defend the practice of collecting more premium than is absolutely necessary from a certain class of business, or from certain localities, in order to pay the losses on other classes, or in other localities which are rated too low. In the matter of rates there should be no such thing as "preferred business," or preferred localities.

I admit that, to bring about this reformation, it will require most careful and judicious handling, and all the skill we can command; but the issue is before us; we cannot evade or escape it; we must meet it and dispose of it in such manner as will benefit our business, and save our reputations as business men, having in charge one of the greatest and most important financial and protective interests in the country.

When we so regulate our rates uniformly, and bring them to a standard low enough so that it will require care and skill, experience and ability to succeed; when we realize and act on the necessity of cutting off excessive commissions, and all useless expense, we will be approaching a science in the business; we will be rid of the amateurs, and of experiments of more than doubtful value; and will be able to demand and obtain the support of the public, and cease to be the objects of its intense distrust.

We all know that there are many things in our business practices that should be changed, but are we certain that we are making the best use that we can of the "helps" that we already have for the disposing of the many complex questions we meet? For instance, you have here a large body of representative underwriters. Here are men whose experience and knowledge cover the entire field of fire underwriting. You meet once a year at considerable expense to your companies; you listen to papers prepared by specialists in their several lines; you place on record in your proceedings the opinions of the best

men of your calling on the most perplexing questions you have; and still I incline to the opinion that the general tendency of the underwriting fraternity is to undervalue, rather than to estimate at its true worth, such Associations, and such meetings.

This feeling is largely due, perhaps, to a half-admitted belief that luck is responsible for most of our misfortunes; and this convenient belief furnishes us with an easy excuse for not seeking for other causes which generally can be found, and leads us to look with indifference upon the efforts of those who have honestly tried to find solutions for the many problems before us. In my opinion, anything that works against this too common impression; anything that takes, or even aims to take underwriting from the class of occupations in which anyone may successfully embark, and puts it with the exact sciences; any finger-post, no matter how small, that points a warning, or shows the way, is important and should have our support and coöperation.

And these things are what this Association has always aimed to do; its work has always been educational; you have left to other bodies the legislative and executive work, and have confined your efforts to pointing out the road that leads to success or failure. This Association exists for discussion and debate. Here conflicting, selfish and temporary interests have least force. Here those questions which always perplex, and too often divide us, can have the best, calmest, least prejudicial discussion, and that is what such questions always need. This Association exists for the interchange of ideas. A little more exact knowledge of what our neighbors have done, and are doing; a great deal more exact knowledge of what we ourselves have done, and are doing; a little more willingness to tell each other of our mistakes, would do away with the seeming necessity for much of our legislation; would elevate our calling, as a whole; would make a profession of what is now not even a trade; would reduce the element of chance to a controllable quantity; would build up instead of leveling down. This is the work of this Association. These are some of the "helps" it might be to us. Unfortunately, while this Association is doing its work, we are not getting the valuable aid from it that we might and should.

As "helps" of even greater importance, and from which we should derive more advantage than we do, I place the field men, or Special Agents. When properly employed and appreciated, they are the strong right arm of our service. For, much as we may wish for rules and methods to settle all questions, much as we may collect statistics and draw deductions, much as we may defer to the rule of three, there still remain hosts of questions to be decided without reference to existing standards; not by ratios, but by reason; not by rules, but by exceptions; not by precedent, but by judgment, by experience; and the importance to a company of the tactful, resourceful Special Agent, who can decide these questions rightly, can hardly be over-estimated. He should be charged not only with the routine duties of his limited field, but he should be so closely allied to the company he represents that he would

feel a lively interest in whatever concerns it, taking a pride in the general prosperity of the company, in all its branches. In a word, he should be made to feel that he is personally a part of the company, working co-ordinately with all other officers for its general welfare. While guarding the interests of his own company, he appreciates more than the officer or Manager a thousand miles away, the necessity of compromise. Personal acquaintance with his competitors, who are also his companions; with his agents, who are also his friends, gives him clearer ideas of relative worth and fitness, and adds the weight of knowledge already acquired to his decisions on questions constantly arising.

Moreover, we must not lose sight of the technical equipment for the position of Special Agent. The knowledge of hazards, the judgment as to rates and risks, the acquaintance with the products, resources, and manufactures of their fields, with laws and regulations, with insurance laws and decisions—we expect to find all these and many other qualifications in our Special Agents. If we do not, the fault is ours. If we do, are we making the best use of the “help”?

He should not be sent into the field with a restricted and prescribed schedule of operation. Such limited scope narrows a Special Agent down to the mechanical part of his work, and gives him but little opportunity for the exercise of thought and experience, which are the most essential elements in his service. As a man is responsible for what he does only so far as his action is voluntary, increase his responsibility and you increase his obligation, and develop his judgment. My observation is that Local Agents respect most those Special Agents who command the greatest respect at the home office.

It is wise, it is profitable for the officer or Manager to take the Special Agent into his counsel upon all matters in his field. We can all work with more enthusiasm for a policy partly of our own creation. As this is true as applied to the individual company, I believe it is also true in a broader sense, in the association of companies, when they meet to revise rules and methods of any special territory. On such occasions or as such assemblies, it would be well to restrict the voting power to the managerial representatives, but I believe the Special Agent should have a place in the meetings (either as individual Special Agents, or as representatives from their Associations which are our auxiliaries) for the benefit they will receive from the deliberations, and because they could throw much light upon many subjects with which they are more familiar. By virtue of their position they can quicker grasp the bearing of legislation upon the business in their fields, and through their counsel aid the companies to enact good laws, which can be applied with as little friction as possible. Coming as they do fresh from the agents, the assured, and in general touch with the business of their section, it would seem that we can ill afford to cut off this avenue of information when we are legislating for the common good. Associations of Special Agents generally deliberate well,

and in most cases the result of their work is beneficial to the companies, as has been evidenced in Indiana and other States last winter, and when they fail of success, it is usually because of lack of support at the home office.

There is no better training school for the officer or Manager than that of the Special Agent. There are many field men to-day more competent to fill managerial positions than many of the men who now hold them. There are few officers who have not had some field experience, and those who have will tell you that they count that experience as the most valuable in their preparation for the positions they now hold.

The power of the Special Agent in his field should be limited only by the general policy of his company, and it goes without saying that such power should be placed in the hands of only those competent to use it. Too much care cannot be used in the selection of men for these important positions, and once selected they must have the full confidence and support of their companies. Without that their influence is gone, their power for the general good and for the good of the companies, is nullified, their positions are anomalies, and their maintenance a useless expense.

Another "help" which we misuse, or at least neglect to use to its full of efficiency, is a Local Agent. We interfere with his usefulness as a class by carelessness in his selection, and as an individual by mistakes in our treatment of him. We hear so much talk about "good" agents. Now, if they were all good, we should not make so much of those who are notoriously "good"; and without saying that there are any bad agents, if there are any in the business who are not good, it is the fault of ourselves who are responsible for the appointment. I appreciate that in any considerable number of men there are some whose moral standards are below the average, but I do not refer to them. We do not wittingly appoint thieves as agents; but we have appointed and are appointing every day as agents men who do not know, and cannot learn, how to write a policy properly; agents who are poor financial managers, who are delinquent with their correspondence and accounts; agents who lack the intelligence to explain the contracts we have empowered them to make; agents whose personal reputations in the communities where they dwell are such as to lower the public estimation of any business in which they may engage.

I think we display too great a willingness to establish new agents in the business. Competition, and the ambition to increase premium receipts, are responsible for this. To educate a new agent is always troublesome, frequently expensive. We have our hands full of this educational work from necessary changes in existing agencies, and as a rule, too, the establishment of a new agency infringes on the real or fancied right of some old agent, and we all know what a constant source of friction this is. If no new men were appointed as agents for several years, we should find a great improvement in the "tone" of our

Local Agency field. With the number and kind of agencies already in existence, we cannot elevate the force by establishing new men in the business.

Under our present system we pay the same compensation to the inexperienced, incompetent and careless agent that we offer to the experienced, faithful and painstaking one, and under existing conditions the rewards of the Local Agent are not such as to induce the kind of men we want to engage in the business. But if we will let the natural law of the "survival of the fittest" work undisturbed in our interest, we will find a most gratifying improvement in the kind and amount of aid we receive from our agents. We are making a mistake, a serious mistake, the consequence of which cannot be foreseen, in indiscriminately adding to the large army of Local Agents that are over-running the land.

When we have selected our agents with proper care, and are satisfied that they are of the best, it would pay us to treat them differently. We treat them now as we do our statistics, by averages; we would obtain very different results if we treated them as individuals. As officers and Managers we cannot do all the underwriting in our office chairs, however competent our stenographers may be. We must have faithful and competent representatives, and we must confide in them and respect their judgment. Our correspondence with them should be such as would elevate and encourage, and not such as would humiliate and dishearten.

An agent should be protected in the territory assigned him. Overhead writing, whether from the head or department office, is an injustice to him, and demoralizing to the agency, and should never be permitted without the consent and coöperation of the agent. "My companies seem to have no confidence in me or my judgment," is the cry of some agents. In many cases the companies are right. They know they have appointed a class of men unfit for the positions, and their lack of confidence is born of sad and expensive experience. But there are many agents who are worthy in every way of the confidence and respect which they receive. It needs no argument to prove that the statistics of American underwriting would read very differently if all our agents had always been of this class.

Even as an ordinary citizen, the agent is not the "help" that he might be to us. If we limited our selection to men of character and brains, and then treated them as such, they would not feel obliged to apologize for their calling; they would take pride in it as trusted and trustworthy representatives, and they could and would explain many of the questions arising between the companies and policy-holders. They would foster a healthy and intelligent sentiment towards the companies, to take the place of the present unreasoning prejudice, and such public sentiment would eventually find its expression in the repeal of many obnoxious laws.

As an association is always more influential than the individual, so the Local Agents' Associations, now being organized, can be made

of great use to us. There is always something to be gained by the interchange of ideas. The educated agent is better for us than the one who is not. Their meetings and discussions teach not only themselves, but us as well.

Aside from their importance in assisting us to maintain Board rules and correct practices, they have spheres of usefulness along the lines of education, and securing of united action for the influence of public opinion. In the event of threatened hostile legislation, we can always have in them organization on the ground that can bring to bear local influence beyond our reach, ready to act in our common interest. I believe heartily in the value of such organization within legitimate bounds, and when not interfering with the companies' prerogatives, they should have our entire support.

Another aid in our work, when properly utilized, is the insurance press—a great educational power—just as important and necessary to us as the party organ for political purposes, the religious paper for Church work, or the trade journal in the mercantile, mechanical or manufacturing interests. Every intelligent underwriter concedes the necessity and value of good insurance papers of character and conscience, edited with brains, and conducted on a high plane; and we must all freely acknowledge our great indebtedness to papers of this kind. But there are insurance papers, too many of them—and I say it with regret—that do not come up to that standard, and we are responsible for their existence. They should be selected as we select other important “helps,” with a view to their ability and efficiency in our work, and I believe the insurance papers of merit would heartily welcome any movement looking to “selection and rejection” on that basis.

If this discrimination would be put into effect by us all we would have fewer insurance papers and better ones. I yield to no one in my admiration of, and respect for, insurance journals of real value, and we should all be very much interested in building up papers that shall be a standing credit to the business, and conservators of sound and honest underwriting; but we should have the courage to withhold or withdraw our support from those that are organized and exist almost entirely for the purpose of securing advertisements from any corporation that is willing to pay for them. By doing this we would not only be cutting off a useless expense, but it would be an incentive and protection to legitimate insurance journalism which we should endeavor to sustain and dignify.

I have touched in a rambling sort of way on what I consider our neglect to use to their fullest extent some of the “helps” we have. Time would fail me to speak of the National Board, with its varied Committees on Legislation, Arson, Fire Departments, Electricity, Statistics, etc.; of the Union, East and West; of the Southeastern Tariff Association; the Middle Department; the New York State Association; the New England Exchange; the efforts on the Pacific Coast; and the

Associations of field men in the different States, all of which could be made more effective as important aids to us if properly sustained and controlled.

And now, perhaps, I should say something about the duties and obligations resting upon us as officers and Managers. The first quality that a managerial position demands, and the one that is indispensable, without which failure is certain, no matter what other qualities be possessed, is *business integrity*. A Manager may be called brilliant, may have special training and much experience, may have a long career of apparent success, may build up a large business for his company, may reduce expense ratios, may accumulate surplus and pay dividends, and still, when his fellows question his integrity, his honesty, there can be but one judgment on his career.

The Manager must possess the strength to say "No" when confronted with a temptation of gaining some advantage at the cost of his integrity; he must have the strength to take and maintain a position that is right, although perhaps to his own temporary detriment, but for the common good.

We have our Associations to which we have given power to legislate in our common interests. When it comes our turn, when we are called upon to make that legislation effective, let it be done honestly and promptly. Let us not be content to give or to accept the half-hearted, apologetic support which is much too common. When our Associations have decided what is best for us all let us all accept that decision and put it into active operation. It is better to make a mistake now and then than always jeopardize the success of important measures by lukewarm support.

The effect of a weak Manager is bad—bad on his Special Agents, his Local Agents and on his fellow Managers. His reputation for weakness, vacillation and delay furnishes the excuse for others to wait; encourages his agents to open rebellion, knowing that they will not be honestly disciplined; deprives his agreements of value, and in every way works against instead of for the common good.

I know of no other business in which there is such an absolute community of interest as ours, and yet we are slow to recognize that fact, or at least to act upon it. Our business is one of averages. Our incomes and expenditures come from and extend to every hamlet in the land. They are affected not alone by eras of national depression, like that through which we have just passed, but are contingent on the shutting down of every local industry; the prevalence of every local drought; the location of every new line of railroad; the passage of every State law. As one company is affected by these, so is another; the difference is one of degree, not of kind, so what affects one affects all, and as officers and Managers we are unequal to the responsibilities of the positions we occupy if we cannot recognize these facts, or recognizing them, fail to act upon them honestly and loyally.

We must realize that no matter what temporary disadvantage it

may seem to us as individuals, the common good is the individual good. There are enough real questions capable of intelligent treatment and solution to occupy all the brains and talent we have, and it is not fair to complicate these questions still more by declining to accept, on trust at least, the solutions of those to which a majority of us agree.

I think a good deal of whatever dignity was at one time associated with the position of officer or Manager of an insurance company has been lost in recent years by too great willingness to embark in "cheap John" schemes for securing an extra volume of premiums. Time was, as some of us remember, when the would-be insured sought out the agent and asked for insurance. That time has gone, and there can be no doubt that with its passing, and with the simultaneous advent of the "live" and "hustling" agent, the insurance business lost largely of its dignity. But is it not time we did something to retain what is left? Is it worth while, for the sake of a few dollars additional income, to embark in a lively competition with the tea companies and manufacturers of soaps and baking powders, in the offering of extra inducements, presents from the home or department office? Are the results of the many "confidential agreements" and the prizes for the greatest increase in premiums worth the loss of prestige and personal business respect that such things always entail? I think not. They are deceptive, tricky, unfair devices to secure premiums that ordinary, legitimate means fail to bring. And the company that resorts to such schemes will naturally fail of success, for agents everywhere are beginning to realize that a company that will not keep good faith with its associates will break faith with them when opportunity offers. Such things help to build up for our business, not only with the public, but in our own ranks as well, just the sort of reputation that I believe we should try in every way to avoid. It is well to be firm in a position that we know or believe to be right; it is a good thing to be insensible of criticism when it takes the form of abuse, but I am not exaggerating at all when I say that in some of our methods and manners we are inviting and encouraging that opposition and criticism which we are meeting everywhere.

I have touched on many of these points, but there is still an important one. We come closer to the general public in the adjustment of claims than in any other way, and I think in many cases we are wrong in our methods. I believe the persistent effort to make a salvage is responsible for much of the public outcry, and consequent legislation. Salvages are pleasant news for the officer or Manager, but they should always be the *result* and never the *object* of an adjustment. Losses should be adjusted, not settled. The cheap glory that surrounds an Adjuster who "always makes a salvage" soon fades as his reputation spreads among agents and policy-holders, and reduces premiums at desirable points. The company that encourages or expects such adjustments will soon find itself with a reputation it had better

be without, and the money they apparently save will not begin to compensate for the loss of prestige, which affects our pride, or the loss of premium, which affects our income. On the other hand, I do not believe we should try to adjust our loss claims so as to have the assured publish a card in the local weekly, telling the public how pleased and surprised he is that we have done just what we agreed to do. We should take the position that our contract is a valid one, binding on both parties. When it comes our turn to pay our money, we pay it under the contract, and when the State assumes the power to make the contract for us we should demand the power of the State to enforce it.

And now, in closing, let me say: In these remarks I have not tried to lay down any new rules for bringing back a 50 per cent. loss ratio; nor have I tried to exploit any new plan for making our business always profitable; nor do I claim that I have discovered and put into successful operation a method of paying 40 per cent. expenses, 65 per cent. losses, and laying aside a re-insurance reserve from what is left. I have not touched on the technical side at all. I have refrained from trying to teach you what you all know more about than I do—I mean rates and hazards, Co-insurance Clauses and maximum lines in congested districts, improved risks and schedules for this and that. I have purposely left out these things, and have tried to call attention to some plain business principles; some old-fashioned common sense that is just as pertinent to-day as it was fifty years ago, and will be fifty years from now; that is just as applicable to a bank or a cotton mill as to an insurance company. I am afraid some of these old ideas have been covered up and forgotten in the hurry to get a full supply of all the novelties of the season.

After all, gentlemen, I believe we do not so much need measures as we do men. We have enough of Associations and Boards, enough of agreements and contracts, enough of legislation and machinery to put it into operation. We want existing agreements loyally carried out; we want existing legislation honestly enforced. We do not need reforms so much as we need reformers.

I believe that fifty good, honest, leading men could quickly bring about all the changes that are most desirable, and could put the insurance business in a permanently sound and successful condition; and to do these things, I do not believe they need a single additional agreement, but only a conviction that they are all working for a common end and for the common good. But we must not be content to consign this work to a few. We should all be willing to engage in it, using to the best advantage all the aids, "helps" and talent we can command, however imperfect, believing that honest, faithful effort never goes unrewarded, however short of perfection. This sentiment is so beautifully expressed in a poem probably familiar to many of you that I will venture to quote it.

"Like the sculptor, who being called upon to build a statue,
Worked years in vain to satisfy his king's command.

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'Make me a statue,' says the king, 'of marble white as snow;
It must be pure enough to stand before my throne at my right hand,
The niche is waiting. Go!'
The sculptor heard the king's command, and went upon his way.
He had no marble, but he went
With willing mind and high intent, to mould his thoughts in clay.

Day after day he wrought the clay, but knew not what he wrought;
He sought the help of heart and brain; he tried to make the riddle
plain
It lay beyond his thought.
To-day the statue seemed to grow; to-morrow it stood still;
The next day all went well again.

Thus day by day and year by year he wrought his master's will.
At length his life-long work was done; it was a fateful day.
He took his statue to the king, and trembled like a guilty thing,
Because it was but clay. 'Where is my statue?' said the king.
'Here, Lord,' the sculptor said. 'But I commanded marble.'
'True, I had not that, what could I do but mould in clay instead?'
The sculptor turned upon his way.
'Stay!' said the king, 'thou shalt not unrewarded go.
Since thou hast done thy best, thy statue shall acceptance win.
It shall be as it should have been, for I will do the rest'.
He touched the statue
The clay falls off, and lo! before him stands
The perfect work of heavenly hands—an Angel white as snow!"

(Applause.)

Mr. Geo. W. Hayes—

Mr. President: This is certainly one of the most able, interesting and valuable addresses that we have ever heard read before this Association. I move a hearty vote of thanks to Mr. Irvin for his paper.

Motion seconded and carried unanimously.

The President—

There is a very bright young man doing a large local business in the city of Des Moines, who thinks he can tell us all about the future of the fire insurance business.

Knowing you are all interested, it gives me great pleasure in introducing to you Mr. J. A. Garver, Jr., of Des Moines.

THE FUTURE OF THE FIRE INSURANCE BUSINESS FROM A LOCAL AGENT'S STANDPOINT.

Mr. J. A. Garver—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

My command of language is so limited that it is with a feeling of diffidence, as a young man in the local business, that I address you—

many of you having grown gray in the management and field work of fire insurance companies; but I am emboldened by the knowledge that I shall receive at least a patient and courteous hearing while I proceed to discuss "The Future of the Fire Insurance Business From a Local Agent's Standpoint."

None can be more conversant with the past history and present conditions of the business than yourselves; nor is there any one who is able to add greatly to your stock of knowledge as to the causes of existing evils. Still it may be profitable for us to look at the past and present, that we may gather an index of the future—that future which depends upon so many contingencies and to which so many elements contribute.

The prevalent evils are the result of the violation of the code of ethics which should govern all insurance men, large and small, high and low. The golden chain which should bind together the interests of Companies, Managers, Field Men and Agents, too often proves to be a rope of sand. Is not the cause the lack of harmony and confidence which should exist?

In many cases the ranks of the Local Agents are recruited from the wrecks of all professions and trades—supplied by men who have made failures of business enterprises they have attempted. To such men are committed business interests second to none in their importance to the credit and prosperity of the nation. For a few paltry dollars' increase in premiums an honorable profession is leveled to the dust, which in the small cities, towns and hamlets has never been considered by the general public stable, by appointing all kinds and conditions of men as agents. Are these few men the criterions by which our entire body is to be judged? It is only a question of time when our profession will necessarily receive the credit it merits, and by establishing with our superiors confidence, harmony would exist and better practices would prevail. If your agent cannot inspire in you the confidence that he will protect your business and guard your interests, do not demoralize him for others. Let him go and get another upon whom you can depend.

We are often subjected to unfounded suspicions and accused of derelictions which are merely the figments of the too lively imagination of some Special Agent, stimulated by the suspicion that another company in the agency is being better treated, or by jealousy of some competitor on whose register he suspects more business goes. The clamor for "More premium receipts" often drives us into the error of accepting and forwarding business that might better be rejected. But such difficulties are insignificant compared with the unsettling of rates and differences in commission.

The companies credited with causing and being responsible for the demoralization of our rate have been besought to unite for the general protection of the business, and upon their refusal threatened with rate wars, and occasionally punished by rate reductions far below

adequate compensation for the hazard assumed. But still they remain outside to disturb, unsettle and disintegrate the business.

I will prescribe for these gentlemen later. But just here may I ask if any of the companies, members of the organization which unanimously condemns the actions of the outsiders, ever acknowledged to living in glass houses? If so, have they removed into better protected quarters? Is not a breach of loyalty in any organization more deplorable than the refusal of coöperation by outsiders?

The fallacy advanced that the Local Agent controls the situation simply assures him of the non-appreciation of his position. Hammered on one side by the individual and united assured for lower rates; hammered on the other side by Managers of companies and their lieutenants for increase of business; not being able at the present time and under the present conditions, or at any time to cut rates without the active assistance and participation of their Managers. The small companies are not responsible for our troubles; it is the large fellow. The old story of the large fish trying to swallow the small ones.

The past three years of unprecedented profit in the face of decreased premium receipts, has sharpened the appetite and dulled the caution of many insurance men, and the cry is simply "More business."

The efforts of the past years to urge the outsiders into line with those companies who believe fifteen per cent. commission is as much as the business will justify, have failed of complete success on account, in our opinion, of the manner of procedure. Decreases in rates have been promulgated in order to bring back some wandering sheep into the fold, with the hope that others will follow; but the direct result has been a loss of premium income to the company and of commission to the agent, who are alike guiltless, in order to reach the transgressor in the background. You bowl down every pin in the bowling alley of Local Agents, by a rate war, to reach the fellow behind the back row. Overhead writing has been in the past a thorn in the side of the Local Agents; it needs but to mention this subject to exhaust it. All companies loyal to their agreements and their agents, appreciate the need of writing all business where the risks are located. Those who do not should be court-martialed and drummed out of camp.

Some time ago a cloud appeared on the Local Agent's horizon, and through the assistance of one of our great States, approached with cyclonic rapidity, giving us a down-pour of Lloyds and Mutuals of unprecedented volume. They have touched us in many tender places and are with us yet, as we still lose some business to these nondescripts. They claim to insure, but they are not insurance companies; to class them as such would be to imitate the error of the French Academy in its definition of a crab. They call it "A little red fish that walks backwards." They are wrong only in this—that the crab does not move backwards; it does not walk, and it is not a fish. The "little red" was right. The Lloyds fill the functions of an insurance

company to the extent that they collect premiums. It is now well known, as the storm recedes, that, like the cyclone, they have proven to be mere wind.

Your friends are ever ready to suggest a cure for all your ills. In this case of present evils, allow me to submit for your consideration my remedy. The organization of representative interests in the fire insurance business is a misnomer, a scare-crow to the uninitiated, not only to outside companies, but the insuring public, who consider it a trust. A large number of companies believe that 15% commission is an adequate compensation to the Local Agent. Would you not increase your premium receipts and decrease your loss ratio by paying a graded commission of 10% on special hazards and frame ranges, 15% on mercantile stocks, 20% on brick mercantile buildings in water works towns and 25% on dwellings, school houses, churches and public buildings? Where your loss of business is caused by high commission, companies buying it go after that business in their strongholds, purchase their agents at 5% and 10% more commission than they can afford to pay for preferred business. It is the only kind they want or will accept in quantity. They are not good agency companies. Chastise the demoralizers with a whip of their own manufacture—a thong of their own cutting. Do not wreck your business by a reduction of rates that compels you to carry it at a loss and which is difficult to restore to a proper and adequate basis when you want to. The only possible objection the Local Agent could have against this suggestion is that it would increase rather than retard the growth of that fungus known as the middle man, or solicitor. We could, I believe, counteract such effect and eliminate this feature by strong, loyal, local organizations.

From a business standpoint this should meet your approval. It is more profitable to pay 50% commission to your agent than to carry a 50 cent risk at a 20 cent rate. The simplicity of this plan commends it, as well as the ease with which you can abandon it. You have only the comparatively few agents to deal with, instead of the whole body of insuring public. Then you may well say the agent has control of the situation. The extreme of this remedy is suggested merely for cases where the application is demanded.

Trust your agents more when they are worth trusting; get closer to them and demonstrate your confidence in them. Keep only those who treat you fairly, honestly and faithfully. These constitute the vast majority. The black sheep are few and are associated generally with those of similar hue higher up the scale.

Remember, your agent is in daily contact with the insuring public, on whom both he and you depend. Furnish him with at least a plausible reason why a rate is doubled or why one is not reduced when another is. The future depends upon you. Tell me what you are going to do and I will tell you what the future has in store for this business. History repeats itself; like causes produce like results. While human

nature remains the same, the same disturbing influences will be at work to affect our business.

If you will insist upon adequate rates, put into effect graded commission contracts, rigidly enforce non-intercourse with all agents or agencies where a higher commission is paid. Adopt my plan of dealing with demoralizers, and you will find that things will work more smoothly; business written will be more profitable and the balance will be on the right side of the ledger. If, on the other hand, the old course is pursued, look for events similar to those which have occurred. For instance: The rate war in California and the late unpleasantness in Madison, Wis., where, I understand, some companies accepted liabilities for a term of five years at a rate 75% lower than they had formerly received for the same liability for one year. A local rate war means financial ruin to the agent; to you, only the enforcement of a principle, as you cover vast territory and have the support of accumulations of years of profitable business. But should this wave of disaster sweep over the entire nation, how many of you could withstand the shock? Its path would be strewn with your wreckage. Should the National Association of Local Fire Insurance Agents meet with the success it deserves, it may ask you to face this general question.

Let the future vindicate or contradict the accuracy of these views of the future of fire insurance from a Local Agent's standpoint.

(Applause.)

The President—

I think we ought to have some discussion on this paper. I will ask Mr. R. J. Smith if he won't start the discussion.

(Calls for General Smith.)

Gen. R. J. Smith—

I thought it was understood before this session began that for once this Association was going to be free from my noise.

I do not know that I heard enough of the paper just read in order to form a just criticism. I do not know whether it is proper to criticise it or not. I have been a Local Agent for some years, and I have been for some years a Manager, therefore I stand between two fires, so to speak.

The main object, however, in all our transactions, in all our teachings, ought to be that we would make the business of fire insurance as permanent as possible, not alone for ourselves, but for those who come after us. I think many of you who have heard me talk on this subject heretofore recollect very well that this is no new doctrine to me.

There was one point in the paper read that I did hear which struck me as peculiar, to say the least, and that is, if I understood it correctly, that in the matter of commission and compensation to agents the

proper way was to go on and "see the other fellow" every time and "raise" him if you could. (Applause.) Now, many of you may not understand those terms. I confess that I do not; but no matter about that, I am called upon to talk.

I do not understand exactly where the speaker or writer of that article expected this was going to lead to. If, in fact, I should go as Special Agent into the agency of a company and find a certain other company paying 25% (which, I think, is the limit, and I believe it is always proper in every game—at least so I am told—to have a limit), now, if I should find him paying 25% commission on all classes of business, then it would be my duty, on behalf of the Local Agents—the Local Agents of the whole country—to immediately make that 30%, and then the man that followed me must make it 35%. I do not exactly understand. It may be that I am old-fogyish, or that my mind is musty, but I do not see where this is to lead to, or what will become of the fellow who does not get around very often.

I traveled eight or ten years in this State before there was a question as to compensation or commissions. There was only one revolution during all that time as I recollect, and that was when they raised the commissions from 10% to 15%. I remember very well that many of the agents whom I visited asked the question that was in my own mind, How can the companies afford it? Rates were higher then than they are now: on some classes more than double.

Now, we have reached the point where we can apparently look with complacency upon the payment of 25%, 30%, 35%, and I have heard of as high as 45% being paid. How can that be, and keep the expense ratio down where it should be? The expense ratio has been figured in all companies at 34% and a fraction. How can that be when you pay 30% or 35% commission? With an average loss ratio of 58% or 60%, where is the company coming in? Now, as has been so well said by Mr. Irvin, as well as your President, I think, in his address—I heard both quite indistinctly—the general insurance public is getting on to the fact that we are paying out a large amount of money somewhere, and they do not get any of it in the reduction of rates, and the stockholders do not, apparently, get any of it in the matter of dividends, and it is proper they should look into this question.

I do not know but I am branching off from this subject in going into the question of commissions, but as it seemed to be a prominent point mentioned in the essay delivered just now I wanted to touch upon that.

So long as you have no restriction or limitation in the matter of compensation to agents, brokers and solicitors, just so long will you have a fluctuating rate, and so long will you have doubt and uncertainty in the minds of the Local Agents in many localities, and perhaps it may reach all over the country, and the business is liable to be swept away.

(Applause.)

The President—

I would like to hear from some other gentlemen on this subject.

Mr. Geo. M. Lovejoy—

I move that a committee of five be appointed as a Committee to Nominate the thirteen Directors for the coming year.

Motion seconded and carried unanimously.

COMMITTEE TO NOMINATE DIRECTORS.

The President—

I appoint Mr. H. C. Eddy, Mr. W. D. Bradshaw, Mr. Otto E. Greely, Mr. Charles H. Barry, and Mr. M. H. N. Raymond as such committee.

The Chair will also state that to-morrow night there will be a banquet given in this room, and we would like to have all the members present. The Banquet Committee has been appointed, and consists of Mr. Geo. M. Lovejoy, Mr. Jos. H. Lenehan and Mr. R. R. Manners. Tickets can be procured of them, or they can be procured at the door. Those of you who have any preference about seats, if you will apply to Mr. Lovejoy or any of the Committee, they will arrange that you may sit together, or as you wish, as many of you as wish. We should like very much to have you signify your intention so that we can notify those in authority.

A Member—

The question is asked here, Mr. President, Are ladies expected to attend the banquet?

The President—

We shall be very glad to have the ladies attend the banquet.

Upon motion, duly seconded, the meeting stood adjourned to 2:30 P. M.

AFTERNOON SESSION.

2.30 P. M.

Meeting called to order by the President.

The President—

The first thing this afternoon is the election of new members. The Secretary will read the list.

(Secretary reads list.)

The President—

Gentlemen, you have heard the names presented for election to membership. What is your pleasure?

A Member—

I move the gentlemen whose names have been read be accepted as members.

Motion seconded and carried unanimously.

NEW MEMBERS 1897.

NAME.	ADDRESS.	TITLE.	COMPANY.
Anderson Chas. H.,	Hannibal, Mo.,	Special Agent,	Northern Assurance.
Andrus S. D.,	Chicago, Ill.,	Special Agent,	Prov.-Washington.
Baldwin Dean A.,	Marion, Ind.,	Special Agent,	Merchants of Newark.
Beck J. M.,	Los Angeles, Cal.,	Asst. Manager,	Fire Ass'n of Philadelphia.
Benedict H. O.,	Menasha, Wis.,	Special Agent,	Phenix of Brooklyn.
Bissell R. M.,	Chicago, Ill.,	General Agent,	Hartford Fire.
Bowers F. W.,	St. Louis, Mo.,	Special Agent,	Orient.
Briggs W. R.,	Detroit, Mich.,	Special Agent,	{ Ins. Co. of North America. Phila. Underwriters.
Brown Grant R.,	{ 207 The Temple, Chicago, Ill.,	{ Sp'l Agt. & Adj.,	Pennsylvania Fire.
Buck Fred. O' L.,	Denver, Col.,	State Agent,	Liverp. & London & Globe.
Burke F. H.,	Batavia, Ill.,	Special Agent,	Fire Association.
Carr J. H.,	Kansas City, Mo.,	Special Agent,	Hartford Fire.
Chapman E. F.,	Detroit, Mich.,	Inspector,	Michigan Inspec. Bureau.
Chubb William,	Philadelphia, Pa.,	President,	Reliance of Philadelphia.
Clark A. A.,	Des Moines, Iowa,	Special Agent,	Phenix of Brooklyn.
Clemons W. H.,	Cincinnati, O.,	Sp'l Agt. & Adj.,	Phenix of Brooklyn.
Cockey S. T.,	195 La Salle, Chicago,	Special Agent,	Allemania Fire.
Cormany W. A.,	Fort Scott, Kansas,	State Agent,	Manchester Fire.
Coryell H. B.,	Omaha, Neb.,	State Agent,	Phenix of Brooklyn.
Curtis C. E.,	Chicago, Ill.,	Special Agent,	Palatine.
Daniel R. E.,	• Minneapolis, Minn.,	Sp'l Agt. & Adj.,	Manhattan Fire.
Dean A. F.,	Chicago, Ill.,	Asst. Manager,	Springfield F. & M.
Deyo W. S.,	St. Louis, Mo.,	Special Agent,	Caledonian.
Faber Samuel E.,	Indianapolis, Ind.,	Special Agent,	Fire Association.
Fertig C. T.,	Denver, Col.,	Special Agent,	Royal.
Fleming J. D.,	Kansas City, Mo.,	State Agent,	Connecticut Fire.
Gilbert C. B.,	Chicago, Ill.,	Manager,	Lancashire.
Gilbert Geo. H.,	210 La Salle, Chicago,	Special Agent,	Girard Fire.
Hall Chas.,	Milwaukee, Wis.,	State Agent,	N. Y. Underwriters.
Hall John R.,	Minneapolis, Minn.,	Special Agent,	Pennsylvania Fire.
Hall Theo. D.,	Negaunee, Mich.,	Deputy Inspector,	Michigan Inspec. Bureau.
Hanrahan John,	Chicago, Ill.,	Special Agent,	Liverp. & London & Globe.
Harding A. J.,	Chicago, Ill.,	Manager,	Springfield F. & M.
Hawkins S. Y.,	Pinckneyville, Ill.,	Special Agent,	Fire Association.
Hazen L. W.,	Sioux Falls, S. D.,	State Agent,	Phenix of Brooklyn.
Heltzell A. C.,	{ 335 Rialto Bldg., Chicago, Ill.,	{ Special Agent,	German American.
Herrick Geo. E.,	Milwaukee, Wis.,	Special Agent,	Caledonian.
Hinsdale A. M.,	556 65th St., Chicago,	Special Agent,	Orient.
Hirst Chas. D.,	Indianapolis, Ind.,	Special Agent,	Agricultural.
Hitchcock W. E.,	Omaha, Neb.,	State Agent,	Liverp. & London & Globe.
Irvine B. C.,	Philadelphia, Pa.,	President,	Fire Association.
Johnson S. J.,	Minneapolis, Minn.,	Special Agent,	Phenix of Brooklyn.
Kelday Wm.,	Louisville, Ky.,	Special Agent,	Hamburg-Bremen.
Kelley Chas. A.,	Terre Haute, Ind.,	Special Agent,	Traders.
Kelsey Benjamin,	Indianapolis, Ind.,	Adjuster,	Hartford Fire.
Kenly W. K.,	Chicago, Ill.,	Cook Co. Manager,	Union Insurance Co.

Lent Loui A.,	Omaha, Neb.,	Sp'l Agt. & Adj.,	Pennsylvania Fire.
Livingston J. K.,	Jackson, Mich.,	Special Agent,	Queen.
Mannen Frank A.,	Minneapolis, Minn.,	Special Agent,	Fireman's Fund.
Marshall John Jr.,	164 La Salle, Chicago,	Special Agent,	Royal Exchange.
Mauritzius Frank,	Lincoln, Neb.,	Special Agent,	Fire Association.
Mayer F. J. Alex.,	Portland, Ore.,	Special Agent,	Fire Association.
McCabe Frank J.,	Chicago, Ill.,	Special Agent,	Fire Association.
McHatton Robert,	Indianapolis, Ind.,	State Agent,	N. Y. Underwriters.
Mesenkop W. H.,	Princeton, Ill.,	Special Agent,	Fire Association.
Miller C. M.,	Omaha, Neb.,	Special Agent,	Greenwich.
Mink Albert C.,	Chicago, Ill.,	Special Agent,	Delaware.
Mooney J. C.,	Denver, Col.,	Special Agent,	Phenix of N. Y.
Monrose John G.,	Columbus, O.,	Special Agent,	Continental.
Munroe W. G.,	Muscatine, Ia.,	State Agent,	N. Y. Underwriters.
Neuberger John M.,	Chicago, Ill.,	Special Agent,	Atlas Assurance.
Palmer H. B.,	Omaha, Neb.,	Independent Adj.,	
Paulding Tattnall,	Philadelphia, Pa.,	President,	Delaware.
Ransom Fred W.,	Grinnell, Ia.,	Special Agent,	Prov.-Washington.
Reekie Chas. A.,	Detroit, Mich.,	Special Agent,	Detroit F. & M.
Remick W. H.,	Kewanee, Ill.,	Special Agent,	Phenix of Brooklyn.
Rose R. H.,	Minneapolis, Minn.,	Special Agent,	Ins. Co. of North America.
Ryan Edwin C.,	Chicago,	Special Agent,	London & Lancashire.
Shankland T. C.,	San Francisco, Cal.,	Special Agent,	Fire Association.
Seelye I. H.,	Evanston, Ill.,	Independent Adj.,	
Shepherd John E.,	Chicago,	{ Supt. Cook Co. Department, }	{ Manchester Fire.
Speed A. C.,	Chicago,	Special Agent,	Prov.-Washington.
Stafford John F.,	Des Moines, Ia.,	Special Agent,	Scottish Union.
Virchow John,	Chicago,	Special Agent,	Prussian National.
Virgin C. R.,	Fairbury, Ill.,	Special Agent,	Fire Association.
Williams Walter D.,	Minneapolis, Minn.,	Special Agent,	Spring Garden.
Wyper James,	Chicago,	Special Agent,	Union Assurance.

The President—

The first paper on our program this afternoon is one entitled, "The Force of Circumstances." Most of us have probably experienced what that means. It gives me great pleasure to introduce to you Mr. John E. Davies, State Agent for Wisconsin of the Ætna Insurance Co., of Hartford.

(Applause.)

THE FORCE OF CIRCUMSTANCES.

Mr. John E. Davies—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

In accepting the invitation of your President to read a paper before this, the Twenty-Eighth Annual Meeting of the Fire Underwriters' Association of the Northwest, I must confess to no little hesitation, and in selecting as a topic "The Force of Circumstances," I was influenced by the fact that it seemed to afford considerable latitude to a man of ordinary talent. I find, however, that latitude is not the

only requisite, and appreciate the difficulty of presenting any ideas that have not heretofore been advanced. If I fail to interest you in this topic, you will certainly be pleased with my brevity.

Insurance, being an important adjunct in the conduct of other lines of business, is naturally affected by all the varying conditions and circumstances, the "ups and downs," to use a commonplace expression, that occur to each. He who eats his daily bread may, perchance, be reminded of the growing grain and the flour mill, but will scarcely consider that the insignificant kernel of wheat has had, in all probability, one constant attendant from the time it had an existence until it becomes a part of his nutriment; following it from the field to the warehouse, through the mill, across continents possibly, and into his own home. Yet such is the case, and only to those who are directly interested in our business is its amplitude and importance apparent. When we consider its beginning which, from absolute lack of data, was merely a process of guessing, we wonder at its growth and recognize the ability, energy and perseverance of those who have participated in its upbuilding, evolving from the unknown an intricately planned, delicately framed, yet strong and enduring structure.

Those who issued the first contracts of insurance (then and still termed policies), had no conception of the proper consideration or premium to be charged, and it is little wonder that the business was considered by many people on a par with lotteries. A level premium served for all hazards, until experience brought to light the fact that the burning qualities of subjects insured were not as level as the premiums.

Success following earlier ventures, naturally induced the organization of new companies and associations, and as the prejudice against the business decreased the companies, as well as the losses increased, and level premiums ceased to fulfill the requirement, which, through all changes and vicissitudes, remains to-day as it was in the beginning, viz., sufficient income to provide for losses, expenses and profit.

A prominent underwriter once said that, in addition to the physical hazard, rates must cover carelessness, accidents and design, and as the ratios which the last bear to the first are now, and probably ever will be, beyond accurate ascertainment, rates must necessarily remain in some measure arbitrary, and it would seem that the only method of determining with approximate accuracy the cost of insurance on the various classes of risks, would be in combining the experience of successful companies doing a large business, and it seems somewhat remarkable that, after a quarter of a century of intelligent underwriting, this should be still an achievement for the future.

Were there no changes in physical conditions, the ascertainment of proper rate for the various risks in that respect would be less of a problem, but the succession of years has seen modifications which have entirely changed the hazard of many risks. The old water-power two-buhr flour mill of earlier years, with (aside from the buhrs), its slow-

running machinery, has given way to the modern roller mill of large area and numerous stories, with capacity that renders milling on a small scale unprofitable; the saw-mill of thirty years ago, cutting by slow process eight or ten thousand feet of lumber a day, is succeeded by the swiftly-running mill, cutting perhaps three hundred thousand feet a day, with hazard increased in proportion to its output; from the handwork furniture factory of the past has been developed the immense institutions of to-day, with hazards multiplied; and this is equally true in regard to many other manufacturing industries. Gasoline, harmless in appearance, but with hidden danger; electricity, with hazard little understood and power undetermined, have come to stay, and are now such familiar companions that their use is permitted for the asking. In supplanting kerosene for lights, electricity, especially the incandescent lamp, was welcomed as a boon to the underwriter, but it has undoubtedly been responsible for many serious fires. The use of electricity for motive power of street railways, and the consequent weakening of water mains by electrolysis, is a new and serious hazard, and one from which serious consequences have arisen.

The fact is not overlooked, however, that with the increase in physical hazards have come improved appliances, some growing out of the practical necessities of modern methods of manufacture, others out of the need of protection and the probabilities of reduction in rates of insurance. Modern dust collectors and methods of conveying waste material to improved receptacles; the substitution of non-combustible for combustible material in construction; new water supplies and water works systems; augmented fire departments and fire alarm systems; improvement in fire-doors, shutters and automatic apparatus for extinguishing fire. Still, with these improvements in the line of prevention and safety, the physical hazard keeps a pace or two ahead, unless the contingent hazards are responsible for the abnormal fire waste.

In addition to the circumstances and conditions affecting the physical hazard, there are others, less apparent, but nevertheless vital. Overproduction in certain branches of business; unfavorable location of plants; commercial vicissitudes; new inventions in processes of manufacture which make necessary complete change in equipment; exhaustion of supply of raw material, as illustrated in the case of lumber mills; and last, but not the least important, atmospheric conditions. To the last, no doubt, can be attributed the extent of the Chicago fire in 1871, which made apparent the necessity for providing a surplus fund for use in case of exigency, and which, followed by the Boston fire of 1872, probably suggested the requirement made by the New York State Department as to reserve for unearned premium liability: a safeguard which, although the basis of computation may be subject to some criticism, has materially raised the standard of safety and solvency.

The advance in rates made necessary by the fires of 1871 and 1872, and the consequent influx of premiums to the companies that survived,

naturally encouraged the organization of many new companies, with consequent increase in competition. It is a well-established fact that the multiplication of companies produces multiplication of agents, increase in commissions and diminution in good practices and good faith. In the multiplication of agents many get into the ranks, not because of adaptability to the business or strength of character, but chiefly because they control some business; or because the business seems to offer an opportunity for securing an income without investment of capital. From this class are recruited most of the irresponsible agents; those who consider the commission of more moment than the relation of value to insurance, and to them, as I learned in an interview with Gabriel—not the angel, but he who was speaker of the reform Legislature, so-called, that passed it—can be attributed the Valued-Policy Law in Wisconsin, which was the first on the statutes of any of the States. That the law is pernicious, in that it is an incentive to arson and invites interested negligence, is shown by the increased loss ratio in the States whose statutes it graces, or disgraces, as you please. That it is unjust and contravenes the intent of the insurance contract, which is one of indemnity only, needs no argument, and as one of the factors that go towards making the cost of insurance, it enhances the rate and the dear people, who passed it, pay for it.

Reference to the Valued-Policy Law calls to mind the standard policy, the use of which is obligatory in many of the States by virtue of legislative enactment. Its purpose is to provide a uniform contract, easily read and understood, and equally just to the assured and the companies. Was this merely a chance creation, or was it suggested in any degree by the enforcement of non-concurrent policy conditions not friendly to the insured?

There appears to be in many minds an innate hostility to corporations, and in the event of either a fancied or real wrong, recourse is often had to the Legislature, for the purpose of "getting even," as they say, if the claimant happens to have any "pull."

The policy contract first in use was simply an agreement to pay in event of loss. Qualifying conditions and requirements were introduced as unexpected contingencies arose, until the "fine print," of which you have all heard, was necessary to keep the proportions of the document within reasonable bounds. The varied experiences of the different companies suggested divers restrictions and "provided alsos," until it became a difficult matter to find two out of a dozen policies that did not contain non-concurrent provisions, and under such circumstances it is not strange that the companies were often criticised and censured. Many a luckless claimant has had a "fine print" condition pointed out to him, which materially affected his claim—one of the "catch clauses," as the assured might be pleased to term it—and he at once commenced to abuse the agent and the company. This reminds me of a story which may bear repetition:

A farmer, while in town one day, purchased a dog. It was a sleek white dog with black spots, and was guaranteed a thoroughbred. The farmer, elated with his purchase, took the dog home. The next day it rained—lo and behold! the spotted dog was now all white, transformed into only an ordinary dog! The farmer at once sought the dog vendor and upbraided him for his deception. "Excuse me," said the dog vendor, "for my forgetfulness; there is an umbrella goes with that dog." Some responsibility attaches to the companies for the circumstances that led up to the enactment of this law, and while, in some respects, it is unsatisfactory, much can still be said in its favor.

What of the Local Agent? Is he beyond the influence of circumstances? Hardly. Formerly the agent sought companies, but now there are more companies than agents who need them. The Local Agent often adds to his already too long list of companies another one seeking representation, simply to prevent a new appointment. He knows that new agents increase competition, are apt to inaugurate the credit evil and divide commissions for the sake of securing business. The premiums of his town are limited, perhaps decreasing rather than increasing, and business gain to the other fellow is loss to him. The Local Board agreement unevenly yokes the scrupulous and unscrupulous agent, and the commission agreement, while accepted literally by the former, is to the latter a cloak for discrimination against some of his companies and for personal gain. Mutual competition, overhead writing by companies in his own agency, and the competition of stock companies who offer "rates satisfactory to the most fastidious," are circumstances beyond his control. Local rate wars, which by courtesy might rise to the dignity of circumstances, may be a means to an end, but to the Local Agent they are practically an end to his means, and are unjustifiable because the offended is oftener more hurt than the offender.

Then there is the Local Agent who, knowing little, and probably caring less, as to his resources, and being indifferent as to his expenses, permits his 15% hand to get into his 85% pocket. To him this is a condition. To his company, a circumstance sufficiently serious to require the prompt attention of its Special Agent.

What of the "Insurance Octopus," "Insurance Trust," "Treacherous Combine"? Do not be alarmed. These are only safety valves. They have such on steam boilers, and occasionally one lets off a little surplus steam, doing no harm, with much noise. The steam might have been applied with profit in some other direction, had the weight been set out a notch further, and the receptacle of better material.

What made agreements and compacts necessary? Not a desire for fabulous profits, but simply for protection. Protection against whom or what? The assured? I think not, but because of lack of good faith in the ranks of the party of the first part, and what might be termed a "Go-as-you-please policy." There was a convention of underwriters in New York in 1849 that adopted a tariff and regulations. It sufficed

for a time. In 1866 the National Board was organized, and, during the succeeding eleven years prosperity, confusion and demoralization followed each other in its experience, and it ceased to be of influence in 1877. It was succeeded in 1879 by the Western Union, which in turn has had an experience not altogether dissimilar. Local and State Boards present a record that is not materially different from that of the parent organizations.

So history repeats itself. Is the fault in the principles involved, or is it in the application of them? I will answer by asking another question: Are there, or have there been, those engaged in the business who intended that the "other fellow" only should be bound by agreements and maintain good practices and rates?

Having referred briefly to inherent hazards, to contingent hazards, and circumstances which affect the cost of insurance, to legislative enactments and agreements between the companies, I desire, before concluding, to allude to one feature which is of more than ordinary moment. Good faith.

In connection with a business that is so subject to contingencies and swayed by circumstances, rules and regulations are of primary importance, but their efficacy lies, not in themselves, but in their observance. Observed, they produce unity and uniformity, and can *not* create confusion or demoralization. There is more at stake than in former years, consequently more to lose; and we know that recovery can only be by slow and tedious processes.

Keep a full measure of good faith, and also believe in it, not loyally only, but generously, Managers, Field Men, Local Agents. Without it rules and regulations are naught.

(Applause.)

The President—

There is hardly a day when we do not hear something about insurance from an insurance man's standpoint, but it is very seldom that we hear about insurance from a business man's standpoint, especially from one who stands as high in the commercial world as does our fellow-townsmen, whose reputation as a financier and successful business man is known all over the world.

I take great pleasure in introducing Mr. Harlow N. Higinbotham, of the firm of Marshall Field & Co., Chicago.

(Great applause.)

INSURANCE FROM A BUSINESS MAN'S STANDPOINT.

Mr. Harlow N. Higinbotham—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

After passing my life, or the portion so far allotted to me, exclusively in commerce, during all of which time insurance against fire

has been as ordinary as a system of currency, I have of necessity been awake to the importance of insurance to the business world. In considering the topic assigned me I have brought home to myself its potency as a commercial factor, and I am amazed at its fundamental nature. As a matter of fact, it would be impossible to carry on business without insurance against loss by fire. It would so disturb values of all property that it would materially interfere with the loaning of money; credits, which are such a vast aid now, would be almost impossible. It would practically reduce trade to a cash basis and limit the volume of business almost to stagnation.

From a realization of the prime necessity of insurance, consideration of the subject naturally leads me to think of the vastness of it as a branch of trade, as a great division of our commercial system, and then naturally follows an inquiry as to whether so great a factor in our business life is controlled and directed wisely and with proper regard for the moral and financial welfare of the people. Thus, in a moment, I find myself confronted by a great business problem, involving a matter of the greatest importance to myself and every other business man, and yet a question to which I have hardly given a moment's thought during the forty years I have employed its privileges and enjoyed its protection. Occasions of this character are forceful agencies in the education of busy men, and I appreciate in this instance the value of these meetings in concentrating thought, bringing out the results of experience and in stimulating high resolve.

I am aware, of course, that the insurance interests of this country are thoroughly organized with various Boards and Committees and Commissions; that there is State supervision in the different commonwealths, and that the idea of National control has been considerably agitated; but I have yet to learn that the great mass of people who employ insurance, the extensive property interests that are covered by insurance, have devoted any attention to the theory or the practice of insurance, or have considered it a public question. I do not find, either, that economic writers have taken up the subject in discussing problems in which insurance is so intimately and essentially involved. It is possible to regulate a thing too much. It is possible to agitate a subject too much. It is well, perhaps, to let well enough alone; but in my own behalf I feel culpable in my ignorance of the questions now under discussion, and I feel grateful that I have been compelled to bring myself to a realization of my deficiency in this regard.

In how far insurance interests are responsible for the ignorance of the people of this important economic question, I will not pretend to say. In extending credit to merchants I am constantly considering questions concerning a customer's fire insurance. His statement of his assets would not be complete if it did not set forth the amount of insurance carried, the character of the companies as well as the kind of building occupied, and its environment. It is to me a note of warning if I find a customer either over or under insured. If he is

over insured, I am thinking of the moral hazard to me in extending credit to him. If he is under insured, I am thinking of the business hazard in extending credit to him. I always take the liberty of cautioning customers who even temporarily carry over insurance. Some business men in good faith carry a certain amount of insurance through the year. When the stock is depleted by sales between purchasing periods, I maintain that, if only for a month, the amount of insurance should be reduced. I frequently find a customer, or would-be customer, without insurance, arguing that he has a right to insure himself, sometimes because the building he occupies is isolated or specially well constructed, and sometimes for the reason that the buildings are poor and the rate is too high and he cannot afford to pay it. I have always advised against such a plan, and not infrequently have been compelled to decline or restrict the amount of credit because the customer persisted in carrying his own insurance. Only when a firm, company or individual has a large number of risks in different cities or remote parts of a large city, is he justified in carrying his own risk, and even then I would question my own ability to calculate the number of separate risks one ought to have to enable him to insure his own property, and I would therefore doubt his ability to figure it out. The only safe way is to insure, and a business that will not enable a man to insure is not worth having and should be promptly discontinued.

From the date when assurance of property against loss by accident was first undertaken in London in 1700, I think, insurance has been considered by many as a speculation based upon certain calculations of chance on the moral and physical hazard. This was painfully and injuriously incorrect. By an adjustment of premium-percentage to an estimated percentage of liability of accident or design, as applied to a certain area or number of cases, individuals were then as now protected from total loss of property by fire from a fund created by assessment. It was then, as it is now, in reality a mutual protective association. That is to say, the collective premiums paid individual losses and the expenses of carrying on and administering the business of the company. I say that notwithstanding the company is a private concern, conducted for profit of its stockholders, the relations between the insured and the insurer are essentially coöperative and mutual. I decry the spirit of sharp practice that is often exhibited between the parties to an insurance contract, or their representatives. I regret that there seems to be a moral antagonism and a suspicion of the integrity on either side. It is a common belief that the insurance companies escape every liability possible, and it is understood that the insurance agents regard persons applying for insurance with more or less suspicion. There is fraud in insurance, and I am aware that fraud is practiced on insurance companies. If it could only be understood that we were assuring one another out of the premiums paid by each, and that the company was simply our agent; that is what it

amounts to. The capital of the company is for the purpose of supplying temporary deficiencies, for in theory the premiums will always more than pay losses and expenses. Any plan of insurance should be prudent, safe and simple. Insurance is to property what shadow is to substance. There is of course a theory of probability, but actuaries have so carefully weighed the probabilities that "fact" is waterlined in "theory."

The usual practice is for an owner to estimate the value of the property to be insured and take out a policy for the amount, or such other less sum as may, in his judgment, be sufficient. How many agents, in granting insurance, carefully estimate the value of the property and decline to place any sum on the risk beyond say 75% or 80% of its value! How many agents ask to look at the last inventory of a stock of merchandise, or even ask if one was taken! I would not insure a man who did not, at least once each year, not only take but preserve an inventory in some safe place, and also keep an intelligible merchandise account subject to my inspection at my pleasure as long as my policy was in force. Over-valuations usually indicate fraud, aimed either at the insurance company or the credit man. Companies should realize, as against a little extra premium, that the interest of the insured in the preservation of his property on account of the value left to his own risk, is a wonderful safeguard from loss. From these generalities I have allowed myself to believe that a fire insurance agent has a moral and a fiduciary responsibility that he does not always fully recognize and obey.

An agent is, of course, "out for the premium"; he wants a "big line." An agent, however, who for the sake of a large premium would permit or fail to decline over-insurance, or who would accept insurance without first scrupulously affirming the integrity of the proposed transaction, is himself a party to fraud and unworthy of his position. I suppose the agents dislike to give offense by too close scrutiny. They realize that what they may refuse to do some other agent may consent to. They understand that between the risk and the company there is the Adjuster; but these condone nothing. The insured should not be permitted to pay premium on an amount he cannot recover in case of total loss. That is a fraud on a fraud, a sort of double-headed fraud. The agent should always bear in mind that the "amount of insurance" carried on property is often accepted in other transactions as a basis of loan or credit. Here is a fraud on the public to which the agent lends himself. The agent should and may, in a prescribed or perfunctory way, consider the moral character and general reputation of an applicant for insurance. In my opinion, this is a first consideration. If I was an agent I would take note of the applicant's character and reputation as well as his financial responsibility in the same manner as if I contemplated selling him goods on credit or loaning him money without security. A man who tempts another to crime is himself a criminal; an agent who permits an appli-

cant to insure for enough to tempt a fire to break out, is himself an accessory. There is usually a fair degree of harmony between buildings and occupants. The best class of merchants is seldom found in the worst class of buildings. I have been trying to determine, in connection with this subject, the nature of public control I would advocate. For insurance is a public question, in that it has to do with the people as a class, and has become a factor in our society. I presume most of the States have supervision over fire insurance. This supervision cannot be expected to be uniform, and it is probable that the statutes of each State having laws governing insurance are dissimilar in a marked degree. These different requirements and methods and machinery must impose on the companies greatly enhanced expenses. Who pays these expenses? The public. The companies simply increase the rates to meet the taxes and tolls and loss of interest on deposits, and expenses growing out of obedience to the law. The public increases its State or municipal revenue by paying increased premiums. Banking is no more, is not so much a public institution as insurance. Why not nationalize insurance? Why not paternalize insurance? Why not have government supervision? Inspection of companies and risks by special examiners? It would require some machinery, but I doubt if the general expense would be greater than the aggregate of the State Systems, and it would at least have the benefit of uniformity, which is always desirable. The dignity, responsibility and safeguard of the Nation would be associated with and sponsor for the plans of insurance. An insurance policy would be as good as a bank-note, while infringement of moral law would be a violation of Federal Statute, with the swift punishment that now follows fraudulent banking.

(Great applause.)

Mr. H. B. Heywood—

I move the thanks of this Association be extended to Mr. Higinbotham for his very excellent paper, and would also request that the Secretary, with the consent of Mr. Higinbotham, arrange for the printing of copies of it.

A Member—

I second the motion.

The President—

Do I understand the motion to include that the Association print a special edition of this address for distribution among the members? You understand that the Association is not authorized to expend money for the printing of any papers.

Mr. H. B. Heywood—

Could it not be arranged that the cost might be defrayed by individual members? As for myself, I would be very glad, if it is possible, to pay for a number of special editions.

The President—

The Chair will have to rule the motion out of order.

Mr. Eugene Harbeck—

I think Mr. Higinbotham would not have any difficulty in getting the agency of almost any company represented here; he would make a first-class agent. I have listened to a good many papers, but none that seemed to me to cover just the ground that has been covered by Mr. Higinbotham. I think our thanks are due to him, and I make a motion to that effect and ask that it be seconded.

Motion seconded and carried unanimously.

The President—

Are there any other gentlemen who would like to make any further remarks upon Mr. Higinbotham's paper?

Mr. H. C. Eddy—

Mr. President, this paper we have had the pleasure of hearing from such a busy merchant as Mr. Higinbotham is worthy of some further attention, it seems to me, at the hands of this Association. It is open now to further discussion, and I think it would be beneficial to us all if a few would take up the subject and discuss it. For one, I would like to hear a few remarks from Mr. Wm. A. Fricke, Wisconsin's Insurance Commissioner. Mr. Higinbotham has referred in his paper to State legislation, State supervision and National supervision, and I hope we may hear from Mr. Fricke, and perhaps others, on this subject.

(Calls for Mr. Fricke.)

Mr. William A. Fricke—

(Applause.)

Gentlemen of the Association: Of course, I never expect while I remain on this earth to be actively engaged in the business of fire insurance; and I endeavor to so conduct myself in my Department as Insurance Commissioner that I will not be compelled to take part in that business on the other side of the river.

I am pleased to attend the meetings of insurance agents and insurance conventions; and I am glad of the opportunity that is offered me now to say that I do not believe in this talk of insurance trusts, do not believe that there is such a thing; but I do not believe in compacts. I believe that Associations of this kind, Unions made up of representatives of the various insurance interests, are absolutely necessary—more necessary for fire insurance than for life, of course. My study and investigation have convinced me that but for these Associations, but for this interchange of experience, this exchange of official bulletins, a fire insurance policy to-day would be what it originally was, a

gambling contract, and that by these Associations the people are benefited.

Now, as to State supervision. It is true that State supervision has fallen somewhat in contempt, and perhaps that is not only due to the heads of the various Insurance Departments, but it is also due to the insurance interests of this country and the insurance agents. Now, you know very well that, take, for instance, the course of many a life insurance agent; if he understands that an agent of some other company has solicited you for insurance, he will go to you and instead of presenting the merits of his company and talking of the necessity of insurance, he will first attempt to sow the seeds of distrust in your mind as to the other company and as to the other fellow in attempting to get your policy. This is also done in casualty insurance. It is done somewhat in fire insurance—not so much so, however. But that is one of the reasons that there is this widespread distrust among the people as to insurance. It is looked upon largely as a skin-game, and the men who represent these interests are largely to blame for it.

Another thing: Men obtain the position of Insurance Commissioner not by reason of their knowledge of insurance—that is evident. In the State of Wisconsin we elect the Insurance Commissioner on the same ticket we do the Governor. In other States the Commissioner is appointed, but in all States the man who fills the position gets it on account of his political pull, not on account of any knowledge he may have of insurance. (Applause.) And I say to you that when I was first nominated as Insurance Commissioner I was not so much afraid that the opposition papers would attack my moral character, as I was afraid that someone would insist that I had pretended I knew something about insurance. Now then, the politician gets the position of Insurance Commissioner; he takes that position not on account of his love for insurance, not because that position will give him an experience which he can obtain in no other way so well as in that office, but as a stepping-stone to some future political preferment. He knows that this widespread suspicion exists against insurance companies, and this catering to popular feeling is liable to make him a political demagogue.

Then there is this other thing: Now, I have been Insurance Commissioner some time, and my experience coincides with the experience of other Commissioners, that in all the time that I have been Insurance Commissioner I have not received a single letter from a single claimant in the whole State of Wisconsin telling me that it was a good thing that the company in which he had his policy had been admitted to do business in the State, and that it had promptly paid his claim, and that they had treated him fairly. But every day I receive some little complaint from some person against some company for not having done what he claims they ought to have done. I wish to qualify this statement by saying, that nine out of ten of the complaints received

by my Department are against companies for which the law fixes no standard of solvency.

Now, on that question I take this position, and I disagree with the Commissioner from bleeding Kansas. When a complaint reaches the Insurance Commissioner of the State of Wisconsin it is his duty to investigate that complaint, and he does it by sending it to the company and asking for an explanation. If the company denies liability, the invariable answer must be that it is a question for the courts to decide, and that only after a judgment has been obtained and the company refuses to pay the judgment, that then only can the Insurance Department step in and insist upon payment; although, where the company admits its liability, then the only question for the Insurance Department is whether they have exceeded the time allowed by law in which to pay the claim; and if they have, it is the Commissioner's duty to insist that it be promptly paid.

I do not believe that an Insurance Commissioner is an arbitrary judge. He is placed there to protect the interests of the people; and I say to you that if I have received any credit as Insurance Commissioner it is due to the fact solely that I believe every honest insurance company has the same right and is entitled to the same consideration as is any honest policy-holder. (Applause.) And when I cannot conduct an Insurance Department on those lines, I will step out into some other business that I can run as my own.

Now, in studying this question of Insurance, we will find this: That Insurance requires, in the first place, a stable government, because the investments of the company's assets must be such as to be absolutely secure. The next thing is absolute certainty in its policy. And when we study the history of Insurance, we will find that there never was an insurance company in this country that pretended to do business outside of its locality until after this United States had adopted the Constitution; that before that we had no stable government, but one State legislating against another, and the clannishness of the people of New York as against the people of New Jersey. This feeling of the people of one State against the people of another State prevented the companies from going out and occupying that broad field that they necessarily must have to do a successful business. So I say that, if it was the Constitution of the United States that made it possible for insurance companies to exist; and if it is true, and I believe it is, that there would be more dire distress among the people of this country by closing up the insurance companies than by closing up all the Savings Banks, then these great interests of Insurance should be supervised by the Federal Government. Life insurance is but a different method of banking, and a policy of fire insurance is as much a part of commerce as is a bill of lading. I say that for the best interest of the people it is necessary that the National Government should supervise these great interests rather than let them be shot at from forty-six different directions. (Applause.) And I say to you

that great and glorious as this country is, it would be but a country of a low order of civilization if it were not for these great insurance interests, and what we need—I do not say what the insurance people need, but what the people of this country need for their own protection, for their own benefit—is one Department, one Code and one Standard of solvency.

(Great Applause.)

The President—

Are there any further remarks?

Mr. H. A. Dike—

Mr. Chairman, I wish to make a few remarks in this line on the paper just read to us by Mr. Higinbotham. I have been sitting here ever since that paper was read, hoping that some one would rise and make a few remarks, in the discussion of it, touching upon some of the vital issues set forth in the paper. There are several points there that cover subjects that are of vital interest to every field man and to every company represented in this territory. I think that if there is no provision made in this Association for the printing and for the distribution of papers here that are read before this Association, it is time that some such provision should be made. There is no question in my mind but that the distribution of that paper over this whole Western country would do more to educate agents and to educate the public than any paper or any article that I have read in any insurance paper that has come into my possession, and I think if a million copies were printed at the expense of this Association and circulated gratuitously over the land, that it would do more good than the whole life work of the whole combined field force of the Northwestern Association.

(Applause.)

The President—

The next paper on our program has been prepared by a rising young underwriter from the grand old State of Michigan. The subject of his paper is, "Loyalty and Coöperation." Coöperation is the need of the hour, especially in Detroit.

I take great pleasure in introducing to you Mr. Frank H. Whitney, Secretary of the Michigan Fire & Marine Insurance Company of Detroit, Mich.

(Applause.)

Mr. Frank H. Whitney—

Mr. President, Gentlemen: I do not know but that I ought to take advantage of the situation and the very excellent introduction which I have received at the hands of your worthy President, to make a statement in reference to the condition of our business in the City of

Detroit. To be sure, there is not coöperation in the insurance business in Detroit, but I can say to the gentlemen here present that if those companies who are not coöperating in the City of Detroit, will instruct their Detroit representatives to get into line, there will be full coöperation in that city.

(Applause.)

LOYALTY AND CO-OPERATION.

Mr. Whitney—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

In responding to the kind invitation of your honorable President to provide a paper for this, your Twenty-Eighth Annual Meeting, I realize the importance of presenting a theme that will be of interest, as so many have received your attention in the excellent papers prepared for the different occasions. Believing, however, that a few thoughts or suggestions necessary to success might prove beneficial to some, if not all, I ask your indulgence while I dwell upon what must be considered essential, and that which is absolutely indispensable, to the true manner of prosecuting the business of fire insurance, "Loyalty to each other and coöperation in our work." From observation and experience in the business of Fire Underwriting, I yet fail to detect any method whereby it can be successfully conducted without the assistance of either, and I believe no other occupation or profession requires, at the hands of its representatives, a greater fidelity and faithfulness in the fulfillment of its obligations than that which we have chosen for our vocation in life.

The stockholders, or owners, of the important and valuable institutions we represent, the Officer and Manager, the Special, Supervisor, and Local Agent, must each acquiesce or yield to the solicitation of the other, obtain the concurrent support of associates, harmonizing in that which is beneficial to all, otherwise success and prosperity cannot crown our labors.

It matters not how large or small, how strong or weak, how influential or well known an insurance company may be, it can ill afford to act independently of its confreres. It may for a time appear to flourish with abundant success, ignoring entirely the earnest entreaties of loyal friends, standing defiant while seeking gains at the expense of others, and although looked upon with envy by its competitors, it will, sooner or later, come to grief, jealousies are sure to exist, dissensions among themselves will arise, its agencies will become more or less demoralized, its agents unreliable, and reputable ones will spurn with contempt its actions, and representation in the leading offices will be discontinued. It will be gradually but surely crowded out of the path of success, and the once profitable business upon its records will disappear, and absolute failure will be the result. When-

ever a company places itself above others, or attempts to act independently, its downfall is inevitable, as, being in ignorance of the many changes germane to the business, it cannot withstand the reverses certain to follow.

We learn from the records of history, that in the early days of fire insurance each company depended entirely upon its own knowledge and judgment in conducting its operations. Coöperation was unknown to its management, they knew not what price to place upon any of its undertakings, it was a game of guess or chance as to what risk or class of risks were the most hazardous; in fact, all classes of insurable property bore the possibility of receiving equal ratings. Companies were loth to divulge their ideas as to value, some charging one figure, others more, others less. "Capital" amounted to nothing—a few papers of "Promising to pay." "Surplus"—anything remaining after expenses and losses were paid. "Reserve"—a term unheard of, and lucky were the promoters of these uncertain enterprises if they escaped an assessment annually, semi-annually, or even more frequently. These concerns managed to struggle along in a partially successful manner until the business became an important factor in promoting and protecting the commercial interests of the entire globe. Money began seeking investment for greater returns, brains were sought and employed to successfully guide those investments for profitable results, the necessity for indemnity was clearly demonstrated, and soon the business of insurance in all its branches became one of the recognized supporters of the industries of the world. Companies were organized, agencies established, and fortunate was he who was successful in securing the representation of one or more in a given place. Each company issued instructions without advising with others in interest, and the Local Agent, who heretofore had been doing business with but one and receiving directions from that one only, becoming identified with others, was receiving as many different instructions in reference to the same matter as the number of companies he represented, and instead of doing a satisfactory and profitable business for any of them, it was very unsatisfactory and unprofitable for all.

Such a state of affairs clearly demonstrated that concert of action was needed, and soon the great sequel, with all its environments, which has since proven the salvation of our profession, was in active service. By securing the coöperation of the different companies then pursuing the business of Fire Underwriting, its progress became rapid and profitable, success having been dearly purchased after a continued and unprofitable experience.

The value of coöperation becoming established and recognized, then began the formation and organization of local associations, laying the foundation upon which has since been reared the splendid fabric which now extends to every city and village, and where its workings and deliberations remain undisturbed by non-intercourse of its members,

or by the unfaithfulness of associates in attempts to disrupt its proceedings by their dishonorable methods which they will some day deplore, peace and harmony prevail, profit and prosperity exist, and, above all, our profession is held in high esteem and its dignity enjoys the blessings it so richly deserves. We should always enjoy that hearty coöperation and loyal support which our business demands, and which we, as men, should endeavor to secure, then how much more profitably and honorably would we serve those who have placed not only their capital, but their integrity at our command. We must not forget that we are servants and operators for those who have placed us in charge of one of the most important and essential professions known to mankind. Without the safeguards which are afforded by the great institutions we represent, business in all its branches would become paralyzed, merchandise remain unmoved, buildings cease to be constructed, labor become idle, destruction and decay would hold forth throughout this broad land of ours, and the once prosperous and happy community would sink to dissolution and oblivion. To whom can we look with more respect, with more pride and honor, and to whom are we more indebted, than the stockholders of our respective companies? It is to them we owe our present position and station in our profession. Should we not be as careful, considerate and economical in conducting the affairs of those who have intrusted their belongings to our keeping as though they were our own? Aye, even more so.

Every individual is entitled to remuneration for capital invested for the promotion of healthy and honorable enterprises, and when such capital is placed in our charge, it should be our constant endeavor to so conduct those enterprises as to yield a fair return for the hazard assumed. We should be continually on the alert to the question of expense, curtailing expenditures where opportunity offers, as this item alone has become an enormous factor in our profession, and one which is daily receiving severe criticisms from the public and the closest scrutiny of the stockholders of our companies. One of the greatest evils of the business of fire insurance is the large expense at which it is conducted, and while the people of the different commonwealths, through their legal representatives, are constantly adding to the burden by the enactment of obnoxious laws, detrimental not only to our interests, but theirs as well, some means must be provided to care for such inconsistent measures and oppressive grievances. If our legislators would exert their efforts in the direction of compelling the companies to reduce expenses in the manner of compensation for premiums secured, they would not only give immediate relief to the public, and enact laws consistent with justice and true political economy, but also remove a stigma that has long since proved to be the bane of our profession. Individually, we cannot encounter and successfully resist the opposition; it can only be accomplished by coöperation and the loyal support of each one. It should be handled in an honorable and upright manner, meeting the issue with a resistance that is unquestionable and characteristic with our methods and dealings.

It is hardly possible to cite a profession, business, trade or commercial interest, where more character, personal honor and integrity are at stake than that of insurance. Consider the great and grave responsibilities resting upon us while in the performance of our duties. How a misjudgment, or a desire "to accommodate" may prove disastrous and destructive, and how great these disasters may be; how in a day or a few hours, all our ambitions and labors in establishing and enlarging the institutions we represent, could be wiped out of existence. Such has occurred and may occur again. Why, then, should we not provide that which is necessary to meet such contingencies, and, although happening hardly in a life-time, we have associates with us who, from personal experience and sorrow, and *without profit* I assure you, have passed through such ordeals and are not anxious for a repetition. The information so earned should remain as a danger-signal for the future; but unless constant and careful coöperation is continued, I am afraid the knowledge so acquired will soon vanish from our memory. The necessity for providing against such extreme results and extraordinary events is a duty we owe ourselves, and has been demonstrated by disaster. If experience is worth anything, we should never lose sight of the past or fail to make use of its teachings in conducting our business affairs.

I cannot refrain from calling your attention to undisputed facts as existed not long since in a certain locality, which illustrates the dangers and disasters accompanying the disregard and disobedience of obligations for coöperation. Upon the Pacific Coast the annual premium income has decreased nearly one-half, the loss ratio advanced from 35% to 66%. What this all meant was easily ascertainable. Many who a short time ago occupied lucrative and enviable positions, are now idle or filling subordinate and irresponsible places. Shall we encourage such conditions in our territory? I sincerely trust and hope not. We alone can avert it, and we must.

We are all much inclined, in our rush through life, to grasp eagerly for new theories and to discard the profitable experiences disclosed each day. But it should not be, and will not so long as we adhere to and follow the principles of those who, having felt the crushing defeat, are left to advise and direct the best course to pursue. They should see that their influence is felt along the line; that those in the ranks are in sympathy with correct practices of underwriting. The great bulwarks of our magnificent profession were not moulded in a day or drafted by a stroke of the pen. It took years of study, toil, energy, endurance and sacrifice of self-interest, and many times at the expense of physical power. We should labor, not to undermine or destroy those splendid achievements of our predecessors, but to perpetuate and protect them, ever keeping in mind that the fundamental principles which we to-day so richly enjoy and by which we all profit were shaped and adopted by those pioneers long before many of us were born; and, like the Constitution of this glorious Republic, must remain unsullied and

unbroken. The passing away of those learned instructors is an irreparable loss not easily replaced or soon to be forgotten, and it behooves us to impress their teachings so indelibly upon our memory that time cannot efface them. What illustrious and noble examples have been left us! What sorrowful and costly information we have gained!—all for our benefit and profit. We must not turn against it or cast it aside, but encourage and foster its teachings for the good of all. It should be our duty to furnish to those who are to follow the solution of difficult problems, which are only obtained by patient and persistent efforts, remembering that it is by steady progress and unflinching resolution, and not by spontaneous bursts of imaginary accomplishments, that eminent positions are attained. The highest rewards come not to those who simply await them, or to those who disregard obligations to associates, or to those who regard lightly the struggles of the successful ones. We must not lose sight of or forget our obligations to those who, having labored diligently for us, and so must we labor diligently for the future, continuing to add to that monumental record our mite, even though it be small.

From the coöperation of the Local Agent and the excellent results obtained thereby, the Special and Supervising Agents soon began bending their energies that more rigid coöperation might be secured. Field Clubs and Leagues have been formed, many members of which compose the Underwriters' Association of the Northwest. .

In speaking of members of our Association, permit me to say a few words to those whose vocation is that of Special or Supervising Agent, and whom the officers and Managers of the different companies place more dependence upon, and greater confidence in, than those comprising or filling other branches of our profession. Being somewhat practically familiar with the pleasures and vexations attending the duties belonging to the Special Agent, and being in full sympathy with his desires for the promotion of his individual interests, I believe I can safely state that men of more honorable intentions, honesty of purpose, and more manly to one another, never banded together for a common purpose. It is to the Special Agent we look for the correction of evil practices in the field, to untangle the snares incidental to our profession, to act and coöperate with his associates for the advancement of our business, to assist and advise with local representatives at the different agencies, and to carry out and obey innumerable instructions emanating from the "Home Office." It is he who can maintain or disrupt an association, cause dissatisfaction and dissension among its members, disturb and ruin the peaceful deliberations of local organizations. But how quick is he to respond to the bidding of others, more than willing to share the burdens of another, always ready to extend a helping hand to the inexperienced and new field man, will change his route in order to accompany and cheer some lonesome and homesick Special whose Manager wires that an important matter many miles from home must receive immediate attention. Occasionally

one forgets his moral obligations to his associates in performing the duties pertaining to the interests of his company, and permits himself "to stretch a point," as it were, in his own favor at the expense of someone else; but invariably, like the "Darkey's Donkey," "it kicks back in the dark," when at times those same associates demonstrate by manly willingness and friendly words how anxious *they* are to assist and coöperate toward correcting any unpleasantness arising, whereby *his* interests are in the least subject to peril and disaster. Special Agents, we are looking to you to uphold and maintain the dignity of our profession. I earnestly implore you not to forget your obligations to each other; be loyal to your principals, endeavor to eliminate from the business any evil practices when discovered, and to instill good and noble influences when opportunity offers. Do not overlook small things, weigh them carefully and conservatively, act with discretion; remember your abilities and virtues are not always measured by what you do, but by what you should have done. "To achieve a fine character is better than to gain a great position," hence follow the highest and noblest and be content with nothing less. It should be your constant endeavor to strive for higher and nobler achievements, for in so doing you will develop those innate qualities in your make-up commanding admiration and respect, which cannot be brought to the surface in any other way; and while you may not immediately gain the coveted prize, you have placed yourself in position not to be passed unnoticed. Men who employ you expect you to progress and will assist and protect you in the performance of your duties, and when the opportunity comes they will be the first to assist you in advancement. Your application for promotion should withstand the most thorough and scrutinizing examination; nothing should remain unexplored, lest the most important feature be overlooked and the successful candidate be constantly confronted with problems and conditions which are certain to make life burdensome. All men are not leaders; most leaders are born such, or in whom the germs of leadership are so early planted as to place them easily in command by proper culture. It is the working constitution which the professional man requires, not that of an athlete; the power of continual mental strain, not the physique of a woodchopper. While physical vigor is more needed in some professions than in others, it is indispensable to leadership, and he who lacks it must not think to command. We should never imagine that success in any business can be attained without thorough training, and while we may not have attained the objects of our ambition, yet by cultivation we may place ourselves in condition for their attainment; therefore it is very essential that we should at once begin to foster and bring into active practice all that which is necessary to complete the organization of the successful underwriter. Is it not better to fail in accomplishing something that is great than to succeed in accomplishing that which amounts to naught? The true gain is always in the struggle, not the result. Your work should be done well, honestly and

with intent of purpose; nothing well done can be worthless. Let it be said of each one, he is loyal to his company, loyal to his associates, ever ready and willing to coöperate with his brother Specials for that which is right, and when life's battle shall have ended those who are left will honor the memory of the true and loyal Special. Do not forget it, as you all know about the only pleasure we have in our daily labors is derived from coöperation and in our friendship and loyalty for one another and the desire for advancement in our calling.

I think I mistake not when I state that from the Special Agent and his associates come the rulers of our profession, and at no more opportune place or period can efficient coöperation be manifest than in your own ranks. It should be reared upon the basis of a broad and friendly good-will toward all; saturate yourselves so thoroughly with its goodness that it will forever remain untarnished and be an ever-constant companion when holding higher and more responsible positions, which many of you will, at some future day, be called upon to occupy.

There are other members of this Association who, having been promoted from the ranks of the field men, fully appreciate the benefits of loyalty and coöperation. No one connected with the business of fire underwriting understands more fully and feels more keenly the discomfort and dangers surely to arise without coöperation than the officer or Manager. It is he in whose trust is placed the handling and management of the affairs of his company. Upon his guidance and business ability depend the success or failure of the undertaking. Should he falter or hesitate, the wreck would be complete. He must be resolute, firm, unyielding, yet affable, kind and considerate, and true to his teachings. It is to him we look for instruction and protection, for without his advice and suggestions we would surely stumble, and mistakes would occur often. His superiority is complete and unlimited, commanding the attention of the business community. Untold millions are at his command. One small error means much; failure to coöperate means more; disloyalty to his associates means disaster and ruin to many; yet how prompt, when occasion demands, in staying the impending danger, seeing at a glance and knowing full well that destruction and desolation can only be averted by prompt and decisive action on his part. He cannot postpone until the morrow that which ought to be done to-day; neither can he jest with himself with impunity. He must not only keep well in hand the immediate affairs of his own office, but, to a certain degree, those of his associates as well. His workings are large and expansive, extending from the cross-roads to cities of immense size, from small and insignificant values to fabulous wealth, from the junk-shop to the wholesaler, from the humblest cottage to the mansion, in fact, with all vocations of life must his knowledge have some acquaintance. He must not overlook the finest or most minute details of his connections, lest the trend of success be broken; and all this can be successfully obtained only by the aid of coöperation, with-

out which he will give up in despair, and the once prosperous and successful corporation entrusted to his keeping will fade to mere nothingness.

I cannot illustrate to you more forcibly the results of coöperation than by citing to you the course pursued by the great Field Marshal of the German Empire, which wrought ruin, utter defeat and devastation to the French during the Franco-German war. His armies were compact and well drilled, moving with steady tread and intent of purpose, meeting the enemy with an irresistible force which could not be overcome. Discontent and disloyalty never found its way into his ranks, but that steady determination to conquer was apparent on every side, the subordinate officers obeying the commands of their superiors without hesitation or contradiction, and having at all times full knowledge of the operations of the French soldiers. So it should be with our forces. They should be thoroughly drilled and fully equipped for the many perplexing problems we are to encounter and dispose of in our profession, all weak and unprotected parts strengthened and safely guarded, put in the best condition possible, and should remain as such, only deviating from those lines as conditions and circumstances should warrant. As one of the greatest underwriters of the present day replied, when asked, "Why does your company succeed so well?" "Because," he said, among other things, "because it has a settled policy and pursues it every day in the year."

Coöperation is the combined action of numbers, and when its teachings and influences are respected the highest sense of intellect in performing our social duties and business obligations prevail, honor and morality excel, honesty and integrity are never questioned, unflinching confidence always present, and to those who are engaged, not only in similar occupations, but otherwise, is given the most careful and confiding consideration by their fellow men. We might add that coöperation is the first stage in social improvement. Can we imagine for one moment that, should we suddenly desist from helping each other in the most simple employments, the high moral standing and prosperous condition which we have reached could be maintained? One needs only to pause and reflect to comprehend the results, should it be otherwise. It appears to me that we should not live wholly in our profession for the dollars and cents we get out of it; if we do, our daily acts will become merely pieces of machinery revolving at the command of the Master Mechanic, and soon our services will become valueless and unsought for. But if we will continue to more firmly bind the ties of friendship and loyalty now existing, and to extend or enlarge the disposition to bear the burdens of one another, then how much more important and indispensable do we become, not only to those who employ us and to our associates, but also to our profession.

The ones who have reached the topmost rounds of the ladder are those who have dearly learned the immense importance of loyalty and coöperation. We should keep them ever in mind and constantly before

us, using them hourly in our deliberations, as with the absence of either the successful attainments for which we are all striving will end in a dismal failure. It should never be forgotten that in our daily toil the many acts and doings which go to make up the totals of what seem mere trifles, we can so arrange our daily labors and so conduct our business affairs as not to sacrifice our manhood and integrity for personal gains. As the poet once so aptly wrote:

"God give us men! A time like this demands
Great hearts, strong minds, true faith and willing hands!
Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
Men who have honor, men who will not lie.
For, while the rabble with their thumbworn creeds,
Their large professions and their little deeds,
Wrangle in selfish strife, lo! Freedom weeps,
Wrong rules the land, and waiting Justice sleeps."

(Applause.)

The President—

The next paper on our program is entitled, "The Best Fire-Proof Construction for Buildings Occupied for Mercantile Purposes."

The gentleman who has prepared this paper for our instruction, and who will now address you, is the inventor of steel skeleton construction now in use, which made the very high buildings possible. The first building of this kind was built in Chicago by the Home Insurance Company in 1883 and 1884.

I now have the pleasure of introducing to you Mr. W. L. B. Jenney, of the firm of Jenney & Mundle, architects, of this city.

THE BEST FIRE-PROOF CONSTRUCTION FOR BUILDINGS OCCUPIED FOR MERCAN- TILE PURPOSES.

Mr. Jenney—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

Serious loss in great stores during the past few years has created an intense interest among owners, underwriters and architects, as to the available methods for protection and their relative merits. This is the subject of my paper.

First we will consider the conditions that usually obtain. The great department stores are necessarily of large capacity—several stories, each floor of large area. The effect or the impression that the store makes upon customers is in proportion to the unobstructed area. This and convenience of business make subdivisions or cross-walls undesirable in these retail stores, and notwithstanding the reduction in insur-

ance rates, amounting to a considerable sum on the large amount of property, such walls are exceptional.

The contrary is the case in the wholesale stores, where there is no attempt at display. The business itself is divided into departments with different clerks, so that the separation of the building by walls is not at all objectionable. In the retail store the shelving for the display of goods is not allowed to exceed a reasonable height, because it would have the same effect as cross-walls of dividing the store. In the retail store the goods are all out of the cases and piled loosely on wooden shelves. This, together with the large areas, makes the retail store rather more hazardous than the wholesale.

In the great fire of last May in Pittsburg, a large fire-proof store was subjected to very trying conditions, the entire stock burning on several floors at the same time and intensified by the great heat from a raging fire—the burning of a large wholesale grocery store across the street to windward. This fire presents the most practical lessons that exist of the behavior of a fire-proof building under the most trying conditions. Fortunately this fire has been very carefully and exhaustively reported by able experts employed as appraisers. These reports have been published in full in the *Insurance World* of May 8th, June 1st and July 1st. Fire records alone are conclusive, and as these reports are the basis of my argument, we will, if you please, make some extracts therefrom, as I shall have occasion to refer to them repeatedly.

Referring to the map of the burned district (Fig. 1). The morning of May 3d the Jenkins Building, a great wholesale grocery store filled with goods more or less combustible, some of them exceedingly so—such as oils, hams, bacon, sugars, etc., that make a very hot fire when once thoroughly ignited—was found to be in flames. The building is reported to be what is known as "Mill Construction," without any subdivisions. When the fire was raging furiously the street wall on Penn avenue fell. The Horne store building across the street a little diagonally was of modern steel construction, each story carried independently on the columns. It was six stories high above the sidewalk. The street fronts were some 60% plate glass, the piers being simply steel columns fire-proofed with masonry.

Instantly following the fall of the wall of the Jenkins Building all the plate glass in the Horne store disappeared from the sash, and the stock was set on fire over the entire building and burned furiously. Across Penn avenue, opposite the Jenkins Building, was the Horne office building, four stories high, the two lower stories occupied as stores. Across Cecil alley from the Horne Building was the new Phipps Building, eight stories high, of steel fire-proof construction, designed for an office building, recently completed, but at the time not occupied. Immediately across the alley from the Jenkins Building was the Methodist Book Concern, a building of modern construction, but with partitions of wood studding covered with expanded steel

lathing and plaster, which, wherever exposed to the heat, was badly damaged, the result of which shows that any woodwork in such a building is a mistake. On the roof of the Horne store stood a water tank weighing some 26 tons when filled. This tank was located directly opposite the elevator shaft, where naturally it was particularly exposed to the heat. The supports gave way and the tank was precipitated through the building to the first floor, carrying with it the columns

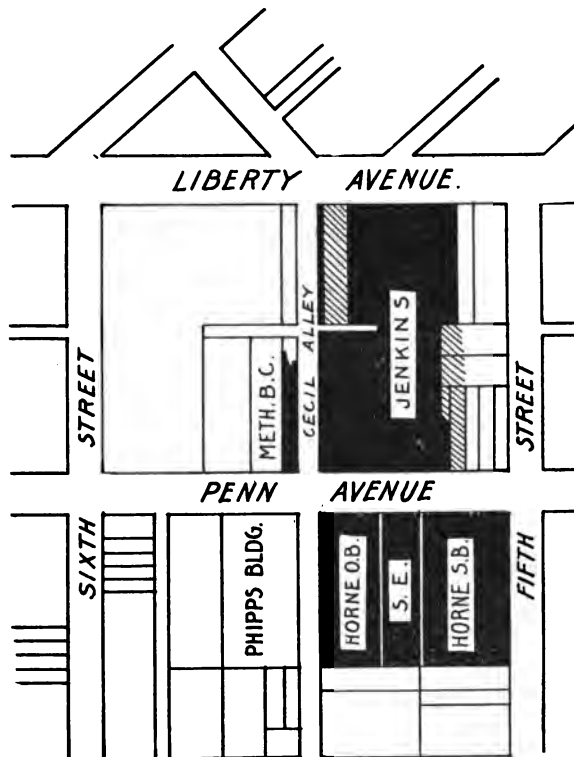


FIG. 1.

From "Ins. World."

and beams which it came in contact with, causing the greater part of the injury to that building.

The engineer experts—Gustav Kaufman, Consulting and Contracting Engineer; Emil Swensson, General Superintendent Keystone Bridge Works; and F. L. Garlinghouse, Chief Structural Engineer, employed by the appraisers to assist them, all men of large experience and high standing in the profession—made a very careful and exceedingly valuable report, published in the *Insurance World* of July 1st, from which I shall quote.

(6)

According to the report "but a few moments after the fall of the wall of the Jenkins Building both the Horne office and store buildings became a mass of flames, so fierce as to drive the firemen from Penn avenue and Fifth street to the roofs of the buildings surrounding the fire. The new Phipps office building was badly scorched and the Methodist Book Building above the fourth floor was completely gutted of its contents." The two Horne buildings were reasonably well constructed, and the fire-proofing equal to the average. The engineers report that the general effect of the fire was the wreck of the eastern side of the Horne store building, caused principally by the falling of the water tank. After the fire they found a slight lateral movement had taken place in the Horne store building, although not sufficient to cause any injury to the steel; still, they attribute to this movement the scaling off of many of the lower webs of the floor arches and the dropping out of much of the fire-proofing on the underside of the beams and girders. They believe, however, this latter is due, at least in part, to doubtful methods of attachment. The columns in the building were all carefully examined with a transit instrument and by plummet observations and close visual scrutiny. The greatest deflection found at any point in a whole tier did not exceed 2 inches. The girders and beams were also subjected to the closest scrutiny and a careful record made of each and every one. Every rivet in the building that was exposed was tapped and not one loose rivet was found. All connections were also examined and were all found in good condition, as far as could be determined. Material that had been subjected apparently to the greatest heat was tested by cutting out test-pieces as close to the bend as practicable. These tests were made exactly as is made for the new material—the elastic limit, breaking test, extension, reduction in area, the nature of the fracture, etc. In the opinion of the Board, the fire had not damaged the steel, that it had acted rather like an annealing furnace, and that the material was rather improved than injured. The slight sinuosity in the various tiers of columns the Engineer Board does not attribute to the action of the fire alone, as possibly a small amount of it was caused by the setting, and existed originally.

This Board makes its comments on the lessons taught by the fire as follows:

"First. In buildings of about this height the distortion of the steel frame-work, due to the heat of the fire, cannot in any instance be sufficient to work any serious damage, nor is it probable that at any time would connection-rivets be sheared off. This conclusion is arrived at for the reason that there is no probability that any future fire will be fiercer than the one at issue.

"Second. The method of fastening fire-proofing to the underside of beams with sheet iron strips should be discarded.

"Third. It cannot be too often reiterated that open-front buildings like this should be protected from external fires by metal shutters."

In this I fully concur. Rolling steel shutters such as those in use in the Marshall Field & Co.'s wholesale store on Adams street, in this

city, can be readily applied to the front of a building without detriment to its architectural effect. They are easily worked. If closed every night, as in that store, they are always in order. On the rear and alley elevations the ordinary standard shutters are all sufficient. In the Pittsburg fire wooden shutters covered with tin did good service and assisted materially in stopping the fire. The engineers also further advise that "all shafts should be provided with metal doors that can be readily closed from all floors." This is attended with serious difficulties. In many of the large department stores there is a central light shaft of considerable dimension. No satisfactory arrangement has as yet been put on the market for the closing of these large openings at each story. Even in the smaller openings of staircases, the doorways in use are scarcely adapted to retail stores. They can, however, be shut off by vertical rolling shutters between stories so that the light shaft becomes a chimney for the escape of the smoke.

"Fourth. The most important lesson taught by this fire was the lack of strength displayed by the fire-clay fire-proofing. The building was permitted to move in any direction without any material restriction by the fire-proofing. The floor arches showed by the scaling off of the lower webs that they were unable to offer any sufficient force to counteract the tendency to lateral motion.

"Fifth. The column protection, although composed of the very best obtainable kind of fire-clay tile, was also not of sufficient strength.

"In our opinion it would have been necessary to dismantle the whole steel frame-work had this structure been fourteen or fifteen stories high. The leaning at that height, at the same proportion as developed, would have entailed the necessity of taking the whole structure down.

"Owing to the fact that steel columns or girders or beams, after being subjected to a long-continued fire, will assume the same temperature as fire-proofing, and owing to the fact, furthermore, that the rate of expansion of the steel is much greater than that of the fire-clay tile, destructive movements are permitted which, as shown in this experience, will result in considerable damage and which damage will increase in direct proportion to the height of the building.

"In view of these important developments, it is our opinion that important structures of this class should have a radically different method of fire-proofing. The fire-proofing should be in itself strong and able to resist severe shocks, and should, if possible, be able to prevent the expansion of the steel work.

"There seems to be but one material that is now known that could be utilized to accomplish these results, and that is first-class concrete. The fire-resisting qualities of properly made concrete have been amply proven to be equal, if not better, than fire-clay tile, as shown by the series of tests carried on by the Building Department of the City of New York."

The *Engineering Record* of September 18, 1897, states that in the Denver test a floor made of end-construction porous terra cotta endured eleven alternate applications of fierce flame and cold water, lasting twenty-three hours, and finally endured a twenty-four-hour continuous fire test, and afterwards sustained a load of 12,500 pounds, which seems quite satisfactory. Still, personally, all things considered, I would give the preference to concrete.

"From the experience gained in street railway construction in laying continuous rails, it is to a large degree possible to prevent the metal from expanding. In street railway work this has been accomplished merely by the adhesion of the pavement to the side of the rails. In building construction the same results could be obtained by encasing the columns and girders with concrete placed directly against the steel work. The adhesion of the concrete would to a large degree prevent unequal expansion of the concrete and steel. The floor arches should also be constructed of concrete, but of sufficient depth to be able to resist lateral forces, except during a fire principally wind pressure. By the use of such floors, with the prevention of injurious expansion and the protection of columns with materials that can stand severe shocks of any nature whatever, the modern steel-frame constructed building would be most thoroughly protected against any fire.

"The construction herein suggested should not materially increase the cost of construction. The solid concrete about the columns would be added strength to same, and could no doubt be made self-supporting. The same could be said of concrete surrounding beams and girders, as has been amply demonstrated by the strength developed by concrete iron constructions.

"As so-called fire-proof buildings are not equally, and to the same degree, protected against fire, we would recommend to the insurance companies that they should vary the rate of insurance for this class of buildings, depending upon the character of the fire-proofing used. The competition between fire-proofing companies has been so severe as to reduce the price of their output, in very many instances at the expense of quality. The large fire loss in the Horne Building would still have been larger had the fire-proofing been of poor quality; and we would further recommend that the insurance companies have prepared standard specifications governing the character of the fire-proofing and the construction and putting up of same, and requiring owners of buildings to use fire-proofing subject to these specifications, under careful inspection, or be subjected to higher insurance rates."

Before answering the question, "What is the best fire-proof construction?" I will call your attention to another class of buildings known as "Mill Construction," much in vogue, particularly in St. Louis. The Chicago building ordinance permits buildings of this class to be 100 feet in height as against 60 feet for common construction. The underwriters give them an advantage of rate, indicating a less hazardous risk. Are these advantages justified by the facts? I think not. Mill construction, as understood by the Chicago Building Department, is thus described in the city ordinances:

"The term 'Mill Construction' shall apply to all buildings in which all the girders and joists supporting floors and roof have a sectional area of not less than 72 square inches, and above the joists of which there is laid a solid timber floor of thickness not less than $3\frac{1}{4}$ inches thick. Wooden posts used in buildings of this class shall not be of smaller sectional area than 100 square inches. Partitions and elevator enclosures in buildings of this class shall be made entirely of incombustible material. If iron pillars, girders or beams are used in buildings of this class, they shall be protected as provided for fire-proof buildings, but the wooden posts, girders and joists need not be protected by fire-proof covering. The use of wood furring, wood laths or steel partitions, shall not be permitted in buildings of this class."

On the 15th of March last there occurred a big fire in the heart

of the wholesale district in St. Louis, a building occupied by the Ely-Walker Dry Goods Co. Quoting from the *St. Louis Democrat* of the 16th of March, "the loss will be close on to \$1,500,000. One human life was lost and several people hurt. The fire was one of the worst the St. Louis Fire Department has had to cope with for a long time, and for a time it looked as though there was to be a conflagration that would wipe out the Washington avenue wholesale district. The firm's enormous stock had been recently increased by large purchases of the finest lines of goods in the market, consequently every inch of available floor space was occupied by great piles of dry goods of every description for the spring trade."

Desiring to obtain reliable information in regard to the character of the building burned I wrote to W. S. Eames, of Eames & Young, architects. Mr. Eames replied immediately as follows:

"In regard to the recent destructive fire in our city, I beg to send you, under separate cover, two newspapers which contain very graphic and accurate descriptions of the fire, the amount of damage, the character of the contents of the building, etc. The fire began about half-past 7 on Monday night, and while I am dictating this letter I can see from my window the engines still attempting to quench it. Portions of all of the walls remain, but the building is a total loss, unless it be the foundation and the walls of the first and second stories. The building was not a fire-proof building in any sense. It is what is known by the St. Louis Board of Fire Underwriters as 'a standard slow-combustion building.' I enclose a printed specification for such buildings as issued by our Board of Underwriters. The building in question complied with all of the requirements of this specification except as to area and height. The building is about 120 feet square and seven stories in height. It had three street fronts and a blind wall on the other enclosing side. The two principal street fronts were faced with Long Meadow brown sandstone. It was one of the last works of the late H. H. Richardson, and was of course Romanesque in style. Of course the stone work of the two street fronts was principally Ashlar backed with brick work. The building was constructed by Norcross Bros. of Boston. The basement, first and second stories, I think, had cast iron columns enveloped in fire-clay casings, plastered. The remaining columns were of Southern yellow pine. The wooden girders, wooden floor beams and heavy planking were of Long Leaf Mississippi or Louisiana pine. The building was not equipped with automatic sprinklers, and to this defect is attributed the loss of the building and its contents. The stairways and elevators were enclosed in brick shafts with standard metal covered doors to all openings.

"The fire burned for about three hours apparently entirely within the building. Then came a collapse (which probably was caused by the fall of the burned wooden posts) whereupon the fifth, sixth and seventh floors and the roof fell in and created an opportunity for a tremendous conflagration. The enormous mass of heavy, dry, seasoned beams and flooring made an irresistible fire, with a heat of great intensity. The first, second and third floors are still in position, but of course the intense heat has damaged what remains of the walls, and the contents of the building are a total and irreparable loss.

"Most of the commercial mercantile buildings in this city have for the past seven or eight years been constructed upon the slow-combustion principle, the reason being that the Board of Underwriters gives a rate on such

construction that makes it profitable to the owner of the building as well as the occupant. Nearly all of the buildings in the Cupples Block, of which we were the architects, are buildings of this type of construction. But special constructive features have been added to the requirements of the Underwriters, and the entire plant is thoroughly equipped with the very best system of automatic sprinklers."

The specifications of the St. Louis Board of Fire Underwriters for Mill construction, although more in detail, do not differ materially from the Chicago city ordinances, which were quoted. In these buildings there is no lath and no plaster, hence no covered passages, so that the fire is entirely exposed to the direct action of the Fire Department. This is certainly an advantage at the outset of a fire. It also enables the Fire Department, after the fire is well under control, to extinguish it entirely. There is no opportunity for the fire partially extinguished to be hidden under lath and plaster and to break out later. To this extent the system is advantageous, but under the conditions under which the Horne Building was placed—the raging fire across the street to windward, inflaming the goods in every story at the same instant—Mill construction feeds the flame and causes total loss in an incredibly short time. Several Boston fires, the Jenkins Building at Pittsburg, as well as the St. Louis fire, have shown that no advantage as against loss can be expected from this class of construction. The timbers add so much fuel to the flames after the fire is once under way. In these buildings we meet another difficulty: the long heavy timbers required for that construction can be obtained cheapest and easiest in Southern or pitch pine. Moreover, this material is usually considered to carry a heavier load than oak. For example, a 10 x 10-inch post in Georgia pine would require, by formulæ in general use, to be 11 x 11-inch if of oak. Oak is much safer from fire, but unfortunately cannot be obtained of the requisite dimensions, and moreover costs about 50% more per thousand than Southern or pitch pine, which can be obtained free from knots direct from the mills, smooth dressed to the sizes demanded, hence this is the material usually employed for such buildings. This Southern pine, often called pitch pine, is, as its name implies, full of pitch. It is the most inflammable of all the usual building materials. The pitch distills out by heat and rapidly catches and spreads the fire with rapidity, so that the usual so-called "Slow-Burning Construction," often used as a synonym for "Mill Construction," is a misnomer and offers no protection against the burning of a stock of goods beyond the ordinary common construction, and is not entitled to any reduction in rate. Indeed, when pitch pine is used I should be inclined to place this construction as extra hazardous, as the building could be set on fire by the burning of a newspaper or by a gas jet flaming against the wood. Such a fire once started usually feeds itself and spreads rapidly over the entire building. I also object to the use of Southern pine for the floors and interior finish of apartment houses as unnecessarily hazardous, for there is no doubt but what pitch pine helps along a fire and greatly increases the loss above what it would have been had oak been used instead of the pitch pine.

The Jenkins Building at Pittsburg is reported by the *Insurance World* as of Mill construction. Also the store in St. Louis occupied by the Ely-Walker Co., and many of the Boston buildings.

We now reach the question under discussion, "What is the Best Fire-Proof Construction for Buildings Occupied for Mercantile Purposes?" As recommended in the Appraisers' Report (*Insurance World*, July 1, 1897) "the first requisite is a good foundation," which in Chicago means that the loads shall be uniformly distributed; that is to say, the load upon each footing shall be carefully calculated, taking into account the weight of the building and the load within, that is, all the load that will come upon said footing. Then make the size of the footings so that the load per square foot shall be the same in every instance throughout the building. This load should not exceed 3,500 pounds per square foot, for should this load be much in excess the settlement will be so great as to be inconvenient, and, moreover, continues too long; besides, it increases the difficulty of obtaining an absolutely



FIG. 2. From "The Clay Worker."

uniform settlement. With the load designated the total settlement should not exceed 3 inches, and should cease entirely by the end of the first year after the building is fully occupied. Any unequal settlement is not only a disfigurement to the building, but it causes a movement in the fire-proofing that may be equal to a disarrangement, loosening the flange protection of the beams and girders so that they will fly off as soon as touched by a stream of water.

Second. *Fire-proofing*—This should be much more substantial than what is at present in general use. The recent fires have demonstrated that it is not difficult to protect the steel from injury. The fire-proofing, as usually constructed, protects the steel, but is itself usually destroyed, causing serious loss. The material should be carefully tested by heating to redness and plunging into water, repeating this test five or six times. If it flies to pieces, it is worthless. What is known as soft porous terra cotta, if the clay is good, usually stands well. This is manufactured by adding six parts of saw dust to four parts of fire-clay. On burning, the saw dust is consumed, and furnishes a tile full of air holes or little cells, rendering it impossible for any hurtful heat to penetrate to the metal. The weakest part in the usual fire-proofing is the protection of the soffits of the beams and girders. As usually constructed, they are like Fig. 2—a long, weak flange on either side

holding in a dove-tailed manner the soffit tile. The tile are also too thin and too close to the flanges of the metal beam. This is a serious fault, because the soffit is the very surface which has to resist the intense heat and action of the fire from the burning goods below and is exposed to the direct force of the water.

In the *Clay-Worker* of April 18, 1897, I find in the report of the proceedings of the last convention of the brick manufacturers at Buffalo, New York, a discussion of this subject. Mr. Gates, President of



FIG. 3. From "The Clay Worker."

the American Terra Cotta Co., of Chicago, condemns the arrangement of Fig. 2, where the soffit tile only 1 inch thick is placed close to the flanges of the beams and only supported by the long, weak flanges of the side tile.

Mr. James Taylor made a diagram (Fig. 3) of a method he suggested which would overcome the dangerous method of Fig. 2, so justly condemned by Mr. Gates. He proposes a porous terra cotta flange 2 inches thick (Fig. 3) supported by short, strong flanges on either side. By this method the whole surface of the metal girder is covered with

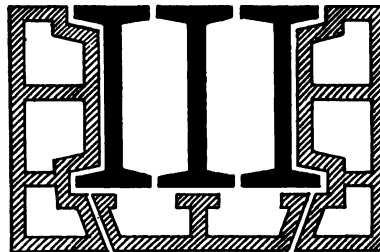


FIG. 4. From "The Clay Worker."

a non-conducting material, which has absolutely no liability to crack or break under the most severe differences of temperature. The short flanges on either side reduce the liability of cracking or breaking to a minimum, and the additional thickness affords additional solidity without much increase of weight and greater ability to resist the action of heat and water. In Fig. 4 Mr. Gates showed how the terra cotta could

be used in a double capacity—as a fire-proofing protection and as an exterior finish when such girders are used projecting from exterior walls; mouldings can be added at pleasure. Care must be taken in dimensions and shapes in order that the side flanges shall securely hold the soffit tile, so that it cannot escape or be knocked out by a stream of water. The floor arches should be very substantial and what is known as “porous and end-construction” is recommended. The laying of the terra cotta is very essential. Common lime mortar should be discarded as unfit for the purpose and Portland cement mortar should be used, adding only sufficient lime mortar to make it work freely under the trowel. Every joint should be filled with mortar over the entire surface and the tile crowded close together. In putting in the key, unless it fits closely, slabs of tile covered by cement mortar should be forced into the joints. It is very essential that these tile floors should be very rigid, as by so doing they prevent the lateral movement of the building, not only in case of fire, but as against high winds. If this work is well done, they will take up a material portion of the wind pressure, even in a building of moderate dimensions. In most of the fires that have occurred in fire-proof buildings very serious damage has been done to the floor arches by scaling off of the lower web, necessitating the replacing of the floors at an expense even greater than first cost. Concrete on top of the floor arches should be of good quality. Soft coal cinders should not be used. Crushed slag of the blast furnace is far better; it is full of air cells, and being produced at very high temperature is not affected by any heat likely to obtain. This concrete should not be inferior to that used in sidewalks, and when practicable should form the floor so as to avoid wood floors. The column protection is another detail that should receive the most careful attention, for the columns are the main supports of all that is above, and if a single one should fail it brings down all there is directly above it, and the loss is necessarily very serious.

At the Fair building the columns are doubly protected (see Fig. 5, p. 82), so that should the outer layer of terra cotta be knocked off the column would be sufficiently protected by the second layer, which would be sufficient to resist the heat and prevent any serious injury to the column. For round columns there can easily be two layers; the inner one should be bound on firmly by wires or wire netting which, lying close against the terra cotta, is itself protected. That this is the case can easily be shown by tying a piece of sewing cotton tightly around a lead bullet and holding it in the flame of a candle; the lead will melt before the string burns off.

The Chicago city ordinances demand, in cases of buildings devoted to the sale, storage or manufacture of merchandise, the covering of columns shall be if of brick, not less than 8 inches thick; if of hollow tile these coverings shall be in two consecutive layers, each not less than $2\frac{1}{2}$ inches thick; if of porous terra cotta, it shall consist of at least two layers, each not less than 2 inches thick, each course breaking joints, and to be so anchored and bonded in itself as to form an inde-

pendent and staple structure. If this is carried out in a proper manner the protection is all that is necessary.

The recent fires have demonstrated that steel is more easily protected than is usually thought. For example: beams in the condition

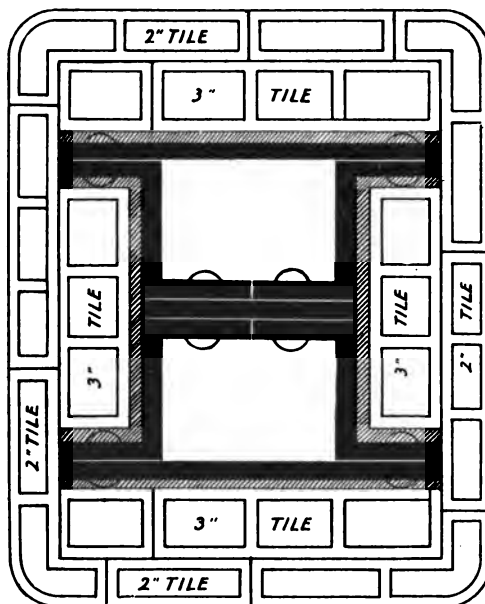


FIG. 5.

Detail of Column Covering—Fair Building.

of Fig. 6; that is, with the lower flange entirely exposed on the ceiling where it is subjected to the greatest heat in case of fire. These beams have gone through a severe fire without injury, still Mr. H. B. Seely, in his paper on the Art of Fire-proofing, published in the *Engineering*

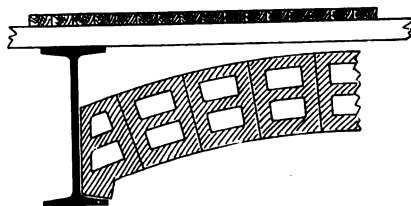


FIG. 6.

From Catalogue Ill. T. C. L. Co.

Segmental Arch—Lower Flange exposed.

News of April 9, 1897, theorises that a beam in this position is liable under heat in case of fire to sag, on account of the lower flange of the beam being heated to a considerable degree more than the balance of

the beam, will necessarily expand, and will cause a deflection of the beam to such an extent that the arches might drop out. Mr. Seely is undoubtedly correct in this theory, still I can find no example of such a serious accident in the reports of any of the fires, which is our only practical test. Still, as the expense of protecting the lower flange is so small this omission is not to be recommended.

The limit by law in height of buildings makes it desirable not to take more than is necessary for the thickness of floors so that the top flange of girders or beams for convenience is often left uncovered. To this there is less objection.

The flange of a beam is such a small part of the whole and so far removed from the mass of the steel, that no heat that can be produced by the burning of the goods on a floor above will seriously injure the beam. Moreover, the floor is protected by the goods and deluged by the Fire Department so that in an ordinary wooden-joist building there are records of floors falling from the burning off of the joists and from falling walls, and after the fire was out considerable areas of unburnt floor were found in the basement still covered by partially consumed goods, so that when convenience demands it is not very objectionable to adopt the construction shown in Fig. 7.

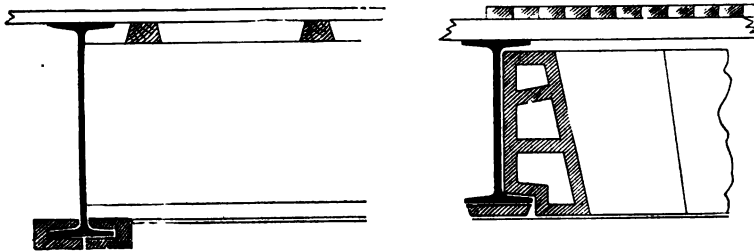


FIG. 7.

Section through Girder.
Upper Flange exposed.

Section through Beam.

For partitions the ordinary 3-inch or 4-inch tile the Pittsburg fire shows to be a disappointment. They do not stand any better than wood studding covered on both sides with wire lathing and plastering. Indeed, it is reported that the firemen stated that the hot tile partitions appeared to dissolve and fly into powder as the water struck them. The appraisers noticed that the amount of debris around partitions where considerable portions had been knocked down, was very small.

From these fire tests it is probable that very satisfactory partitions can be made by steel tees or anchors set vertically, secured top and bottom, covered on both sides by the metal lathing and fire-proof plastering (asbestic). Still greater security could be obtained by filling in between lathing with asbestic. A superior partition is made of concrete stiffened by twisted square rods (Ransome system).

The lower 6 or 8 feet of all columns should be protected against damage from shocks by a substantial covering of sheet metal, as boxes of goods are piled up against the columns and they are also subject to be scraped by passing trucks. This outside metal covering will render it impossible for the fire-proofing to be stripped off during a fire. There is a still further protection to the columns that I would strongly recommend, which is the filling of the interior of each column with good Portland cement concrete rammed into place. This will protect the interior against rust and materially strengthen the column as against bending in case of severe fire. This was done in the first nine stories of the Home Insurance Building in this city.

In the *Engineering News* of May 20, 1897, is published an excellent paper on the "lessons to be learned from the Pittsburg fire," from which I extract the following:

"Passing to a consideration of the damage done by the fire to the more purely structural features of the several buildings, one is impressed at once with the splendid showing made by the steel frame. Not a single steel member can be said to have been torn from its position in the structure by the heat of the fire or the destruction of its protecting fire-proofing. In the Horne store buildings at least 50 per cent. of the columns and floor beams were found partly or wholly uncovered, but only slight bends were found in two or three columns. The thing responsible for the damage to most of the injured steel work in this building was the fall of the heavy steel water tank from the roof. The constructional steel work in the Horne office building showed no injury except for occasional bent floor stringers, and that in the Methodist Book building did not seem to be injured at all. Concentrated loads on the roof, like an enclosed steel water tank, should be avoided.

"A particular feature to be remarked is that no particular part of the fire-proofing seemed to resist the fire better than another—the column tile, the floor arches, and the beam flange covering seeming to have been destroyed about equally. In the office building where partitions were used, their destruction was pretty serious, as might have been expected. No very great stability against fire and streams of water can be expected from partitions of 4-inch tile, and the wonder is that they stood as well as they did. In respect to their efficiency, however, there does not seem to be much choice between partitions of 4-inch tile and metal lath and wooden stud partitions used in the Methodist Book building, and the builder who pins his faith to either to resist a severe attack of fire and water is likely to be disappointed.

"The behavior of the 16-foot span concrete floor arches in the Methodist Book building must, we believe, be conceded by every fair-minded man to have been most excellent, and to justify the faith which many architects and engineers have shown in concrete floor constructions. It is true that the heat to which they were exposed was not as great as that in the buildings with the tile construction; but it is also true that many of these concrete arches were in the midst of a very severe fire for a considerable time, and came through it, with hardly an exception, absolutely unharmed. We believe that the Pittsburg fire adds convincing evidence to that already accumulated in engineering literature, that concrete is entitled to rank as a material of the highest value in fire-proof construction."

Among the systems of concrete floors and fire-proofing that known

as the Ransome, a description of which is published in the new work by Kidder on Building Construction and Superintendence, Part I, has been put in practice, and has been used quite extensively, especially on the Pacific Coast, where there is a Borax Warehouse which has been tested over large areas with a load of 500 pounds per square foot. The theory on which this construction is based is this: Concrete has a great compressive strength, but very small tensile strength, therefore it should be used exclusively in compression. To obtain the requisite

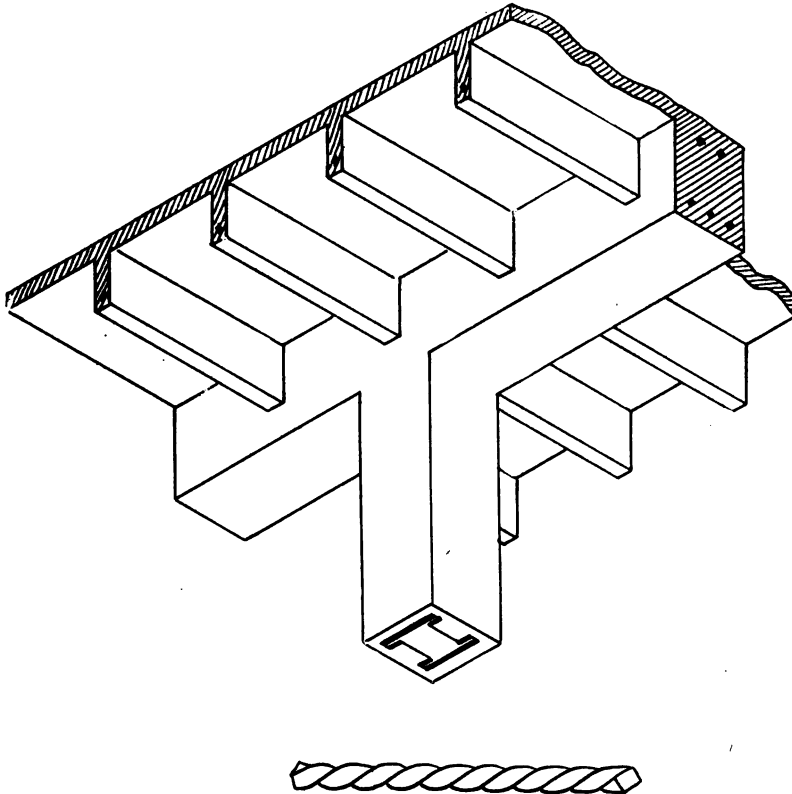


FIG. 8.
Ransome System of Floor Construction.

tensile strength square iron rods twisted cold are embedded in the concrete. It is easily seen by inspection that these rods are firmly held in place by the concrete. The square surface twisted forms a hollow which ties the concrete in the direction perpendicular to the rods and the twist ties it in the direction of the rod. Experiment has taught that narrow webs of concrete, say 1 inch thick, are ample to resist all the strains in the vicinity of these twisted rods, so that, as in Fig. 8,

the bottom of the beam in section shows a width of only 3 inches for the bottom of the concrete cross beam, which is found by experience to be amply sufficient, while with an untwisted square rod it would be necessary that this should be materially increased, or it would cause a flaking off, causing a complete destruction of the concrete directly above the rod. This work is comparatively light and not expensive, as the steel used is of the cheapest character. Being square rods, the cost of twisting adds to the strength of the rod sufficient to pay for the expense of the twisting, which does not exceed a dollar a ton. This system has another advantage, that it forms the floor above. Nothing is better for a warehouse than a smooth concrete floor. It is easy to truck over and avoids the combustible material of the usual wooden floor, as in a warehouse it is desirable to avoid the use of any combustible material, as in case of fire it only adds so much to the burnable material and increases the loss. All the great fires have shown a total destruction of the plaster. None of the plasterings usually in use will stand fire and water. In the Pittsburg fire, as is usually the case, the plastering was entirely destroyed. A new fire-proof plaster has just been put on the market, an invention of General William Sooy Smith, known as Asbestic. It is made largely of pure asbestos, which, as is well known, resists perfectly an intense heat. It is manufactured by the H. W. Johns Mfg. Co. of New York. This plastering is put on in the usual way, and can be finished rough or smooth, the same as the usual plasters. Tests were made in the presence of the officials from the Supervising Architect's office in Washington. A room was built about 4 feet high plastered on the interior with asbestic. This was filled with combustible material, which burned furiously for half an hour, when a stream of water through an inch and a half nozzle was poured on the interior, sides and roof, without any effect. The plaster did not drop or crack, but was intact. This is exactly the material that we require for the finishing of our fire-proof buildings, for in case a stock of goods takes fire all the ordinary plastering is destroyed. The fire-proof qualities of this plastering will undoubtedly tend to the preservation of the fire-proofing. A nail can be driven into it without cracking it, which is often an advantage.

The usual stone vault covers forming the sidewalk are not admissible, as in case of fire they are a total loss. Steel beams with brick arches covered by a concrete surface are for this purpose far superior and can be expected to go through a fire without material injury.

The exterior should be brick with terra cotta trimmings. Stone, as a rule, will not stand fire and water. Granite is particularly bad, flying to pieces so as usually to be a total loss. Good brick stands well. The trimmings and ornamental parts can be of terra cotta, which is a brick as far as material is concerned. Mr. Gates, of the American Terra Cotta Company, assures me that he can furnish terra cotta that will stand severe quench tests. There is no doubt but what all other manufacturers can do the same. In burning the terra cotta test pieces are

put in the kilns and when the burning is thought to be finished, these pieces are withdrawn and plunged into water and examined, which is itself a test.

In the report of the Buffalo convention of clay-workers I find the following:

"Mr. Batley: The argument of Mr. Purington, and what he wishes to draw out from the fire-proof manufacturers, which was not clearly got at yesterday, was: Is there a clay which will make fire-proofing that will stand both fire and water? I say, gentlemen, that there is. There is no need to go beyond Pennsylvania and West Virginia, the vast districts where coke is made, to prove it. Any producer of fire-clay knows that the coke furnaces are charged full of bituminous coal, and the coke is burned from seventy-two to seventy-eight hours. The moment the coke has got through its burning, or in a short period afterwards, when it is all aglow, cold water is poured into the furnace from a 5-inch pipe. It does not matter how cold the water is. I have made fire-brick, and I know bricks in such furnaces will stand for eighteen months. If such a material as fire-clay will stand that kind of rough usage, it is quite manifest that it will stand under any other condition."

So that by proper care we can be assured of a terra cotta that will go through a fire without injury.

In conclusion: From the lessons learned from the Pittsburg fire, and from all that we know at this date, a building constructed as I have suggested—a steel skeleton construction with an adequate foundation—the exterior walls of brick with terra cotta trimmings; the fire-proofing and the floors to be of porous terra cotta that has been thoroughly tested, or with concrete strengthened with square rods twisted; the floors to be of smooth concrete; the interior finish, such as wainscots, baseboards and the casings of windows and doors to be of concrete; the doors to be of metal (these can be as ornamental or as plain as desired)—in such a building the stock can be entirely consumed with but little injury to the building other than smoking the walls and ceilings and blistering of the paint.

If the building is protected from external fires by outside shutters then the windows will be destroyed, but if there is no danger from outside fires the shutters can be on the inside of the building, and if closed will save the windows. Manufacturers of Ornamental Iron are at present at work endeavoring to produce substantial iron window frames and sash, at a price that an owner will be willing to pay. When this is done the loss to the building will be little more than the glass, the interior painting and calcimining. The loss on the stock can only be reduced by strictly fire-proof division walls and by shutters to all outside openings. Where there is danger from other buildings, by shutters, shutting off the light shafts and stairways from each of the stories.

What I have proposed will add but a small percentage to the cost

of the usual fire-proof buildings. It simply requires increased knowledge and greater care and thought on the part of the architect, and most careful superintendence of the construction.

(Applause.)

The President—

Perhaps some gentleman would like to ask Mr. Jenney some questions about fire-proof buildings. I am sure he would be very glad to answer anything you do not understand. If not, we will go on with the program.

The last paper on our program this afternoon is entitled, "Hostility of the Public Toward Fire Insurance Companies: What We Have Done to Cause It and What We Can Do to Remove It." The gentleman who has prepared this paper has the reputation of being one of the brightest writers and best orators in the Northwest.

I take great pleasure in introducing to you Mr. Walter H. Cobban, State Agent for Minnesota of the Manchester Fire Insurance Company.

(Applause.)

HOSTILITY OF THE PUBLIC TOWARD FIRE INSURANCE COMPANIES.

WHAT WE HAVE DONE TO CAUSE IT AND WHAT WE CAN DO TO REMOVE IT.

Mr. Walter H. Cobban—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

It has been with many misgivings that I have prepared a paper to be read at this meeting, for it has seemed to me that in comparison with what has been presented to you by men of large experience and great ability, who have contributed at this and preceding meetings, the best that I could offer would be dull and uninteresting in the extreme; but my earnest feeling on the subject which I have chosen prompted me to make the effort, and must be my excuse for appearing before you.

It would be more pleasing to write of the splendid achievements of the men who have guided the destinies of various fire insurance companies that stand as monuments to their energy, integrity and genius, but I assume that we are here for the purpose of improving ourselves and our business, and a study of some of our practices will not be inopportune.

In what is to follow I do not wish to be understood as placing myself on the side of the people and against the insurance companies. My associations and interests, my sympathies and ambitions are with the fire insurance men, but I think we have made mistakes that can be corrected, and am confident we can make our pathways more smooth and our business more profitable by earning and receiving the good

will of those with whom we deal. I therefore take the liberty of questioning the expediency of some of our methods of the past and present.

It is no compliment to the intelligence of the people of this generation, nor does it speak well for us, that there is so little cordiality and confidence manifested in the dealings between our patrons and ourselves, and I announce no discovery of my own when I say that the greatest obstacle to our success is the hostile feeling the people entertain for us. This feeling exists in all sections of the country in both an active and indifferent form. It finds expression in vicious laws; it stains the judicial ermine; fosters and encourages irresponsible and disreputable competition; shields the incendiary and the rogue, and loses no opportunity to hamper us in the legitimate prosecution of our business.

That this hostility is largely unreasonable and unreasoning affords us no good excuse for ignoring it. It exists, whether with or without cause, or partly both, and should be dealt with firmly, patiently and intelligently or it will impose yet greater burdens upon us.

Before attempting to apply a remedy, we must learn the causes of this deplorable condition, and ask ourselves, Why are we so unfavorably regarded? What have we done, or neglected to do, that our business fails to have the respect that all legitimate enterprises are entitled to and that most of them receive?

Possibly the chief cause is that we are believed to be making exorbitant profits by exacting too high rates of premium on many if not all classes of property. What, may I ask, have we done to disabuse the public mind of its favorite error? Nothing, absolutely nothing. Compelled by law to publish a statement of gross premiums received and losses paid in each State, we make no effort to inform our patrons that there are heavy and necessary items of expense, but leave them to infer, as they usually do, that the difference between premiums and losses is principally, if not all, profit. We condemn them for their ignorance, but make no effort to enlighten them. Even our Local Agents who come in daily contact with the people, and who might be made excellent missionaries for good, are not informed by us on this subject, and if, perchance, they have learned that their commissions, postage, State taxes and fees, cost of supplies, home office expenses, costs of inspecting risks and adjusting losses, must all be paid out of the premiums, and that the premiums must be sufficient to cover these expenses as well as losses, the knowledge has not come to them from whence it ought to have come, viz., the companies they represent.

I will not say, for I do not know, that rates have not been made upon a just basis, using for our guidance all the knowledge we have gained from experience, but the people do not so believe, and we have furnished much of the material out of which they have builded their structure of disbelief and discontent, magnificent in its proportions, impregnable to rude assault, vulnerable only to the soft, persistent voice of reason.

The studious avoidance of the property owner by those making rates, the disinclination to give any explanation of how and by what process the final rate has been determined, our stubborn insistence in many cases upon high rates until the business has gone from us, followed quickly by an eager effort to regain what we have lost by quoting rates much below those at which it could have been retained, our oft-times dilatory and reluctant manner of making reductions for improvements, our hesitation and sometimes refusal to offer in advance of improvements definite reductions therefor, the unseemly scramble of some for business at figures and on forms that cannot possibly yield anything but loss (Northwestern grain lines, for instance), the extreme secrecy with which the whole rate-making machinery has been operated, are some of the things that cause an all-too-willing public to believe that the so-called science of rate-making is no science at all, but an organized system of plunder, devoid of skill and holding justice in contempt.

All men abhor a coward. We add neither to our self-respect nor the respect we wish from others by our meek submission, without protest or complaint, to laws that are unjust and which we have reason to believe are unconstitutional. Our ready compliance with all kinds of vicious laws, changing and constantly becoming worse, causes many to believe that we are destitute of courage and that even under the most adverse conditions our business is extravagantly profitable. While bad bills are pending in legislative bodies we strenuously contend that if they become laws we must advance rates or withdraw from the State; but when, unheeding our protests and sneering at our pleas for justice, the statesmen (?) crowd through their measures born of hostility and ignorance, and they become laws burdensome and expensive and unjust to insurer, and of no benefit to the honest insured, we tamely submit, reduce rates, struggle for business and appear to be so well satisfied as to invite further attack upon us at each recurring session of the law-making bodies, and thereby receive, if we do not earn, the contempt of thinking men.

There can be no doubt that fire insurance companies incur the dislike and distrust of many by the custom of sending a large number of Adjusters to settle small losses. The practice implies a lack of confidence in each other; it causes a fear to arise in the mind of the claimant of being overmatched by force of numbers; it frequently delays what ought to be a prompt settlement; it is a needless and indefensible expense and ought to be discouraged, if for no other reason than that it leads the public to believe that a business must be remarkably profitable that can afford so many men to do so little work. One, or at the most two, Adjusters to each claimant ought to be enough to protect the interests of the companies. Quicker and more satisfactory results would be obtained, and a better feeling left in the minds of claimant and public. But we have suffered much in the estimation of the people by sometimes, fortunately not often, employing Adjusters who

seem to think of nothing but salvage; who treat claimants as though they are enemies of society and appear to believe that every one sustaining a loss by fire should be deemed guilty of incendiarism until proven innocent.

I have an unwavering faith in the integrity and fair-mindedness of a great majority of the American people. I believe we can have their respect and good will. An earnest and continued effort to bring about that much-to-be-desired result could do us no harm, and I believe would do us much good.

Let us educate our rate-makers so they can intelligently and fearlessly explain the schedules and system used in their work. The utmost care and fairness should be employed, to the end that every class should bear its just proportion of expense and burden of loss and yield its due share of a reasonable profit; and, in fixing rates, I maintain that any schedule which excludes the exercise of good judgment regarding its application is wrong. The rate-maker should not only be permitted but required to take into consideration every feature of the hazard which would influence a skilled underwriter for or against its acceptance, including the length of time its owner has occupied or owned it without having made claim for loss by fire originating on his premises, thus inducing care, cleanliness and honesty, and discouraging the making of trifling claims. Let every one employed in rating work understand that it is a part of his duty to be courteous to all, ever willing to meet property owners and answer all reasonable questions concerning rates, give information concerning improvements and reductions therefor, and in every way possible disseminate information, and cultivate the public. Get the rate-maker and the rate-payer together. Let them intelligently discuss the rate subject, and a far better feeling will follow as surely as night follows day.

To the efficiency and fidelity of our Local Agents we owe much of whatever success we have achieved. It will be no mistake to equip them with the necessary information pertaining to our business, to enable them to meet the sometimes harsh, and oftentimes thoughtless, criticisms of the public, and to effectually dispel the illusion that the difference between premiums received and losses paid is profit. Our loyal agents are worthy our confidence, and their opportunities for doing us good are almost unlimited. They are willing to aid us, for they are our friends. But we must not expect their assistance in removing ignorance and spreading knowledge while denying them such information as we can give them with no injury to ourselves.

When a loss occurs we should meet the claimant with the same cheerful spirit with which we greet him when he is an applicant for our indemnity. Assuming that the loss is an honest one, and most of them are, we should manifest a desire to do justice to the claimant as well as to ourselves, and if the loss should be upon the home and household effects, it should never be forgotten by him whose duty it becomes to take up the work of adjustment, that much more than a

money loss is involved. In nearly every case of this kind there have been destroyed articles of use and ornament representing but little commercial value, perhaps, but around which cling some of life's most tender memories. A loss of this nature is often sincerely felt to be a personal bereavement. We cannot pay more than is just, for the money we disburse is not ours to give, but out of the boundless sympathy for our fellow men that ought to abide in the hearts of all, we may freely give. Generous sympathy and a few kind words, well chosen, never delayed the adjustment of a loss, nor made the claimant less tractable.

No man is qualified to adjust a loss who has no regard for the estimation in which the claimant and the public will hold him and the companies he represents, after the settlement is made and he has taken his departure.

I realize full well that I am advocating something decidedly unpopular in insurance circles when I assert that we ought to secure the aid of the newspapers in a campaign of education and in defense of our rights to do business unhampered by unjust laws. We may ignore, but we cannot deny that they are powerful factors for good, if so disposed, and, in the main, are conducted by men of honor and intelligence. We have seemed to fear them. Silence has indeed seemed golden when in the presence of their representatives. Our meetings, many of them unimportant, have been held behind locked doors, and all approaches guarded with zealous care. We have contributed to their news columns as little as possible, and advertised with them only as compelled by statutory requirements. A reversal of these customs would most certainly have a good effect. It would be profitable and politic to use the news and advertising columns of newspapers having a good circulation.

Our business has nothing to fear from the widest publicity. Why assume even the appearance of shrinking from public gaze?

While earnestly and persistently endeavoring to merit and obtain the good opinion of the public, we must not forget that the greatest esteem is founded upon deep respect. A manly, courageous fight against unjust laws should be made. If believed to be unconstitutional, test them promptly and vigorously in the courts. If found that a State may legally impose unjust, unreasonable and unlimited conditions upon the operations of fire insurance companies, better by far to discontinue with honor until reason is restored to its proper place in public favor than to go on and continue to be crucified upon unwise ambition's cross.

The people with whom we deal have faults as numerous as the sands upon Atlantic's coast, and as infinite in their variety as the craft that float upon the stream of time; but the failings of others afford no justification for our neglect to follow as closely as frail, human nature can, the teachings of "Him who doeth all things well."

While laboring in the various capacities in which we are called to serve, let us stand erect, proclaiming by every act that we are

worthy the confidence of each other, and, believe me, the world will not long withhold that which we demand—simple justice.

(Applause.)

The President—

I think I have voiced the sentiment of every member of this Association when I say that the thanks of our Association are due to each of the gentlemen who have delivered papers here this afternoon. They have been most excellent, every one of them.

Is there any further business before the meeting this afternoon?

Mr. T. H. Smith—

In looking through some old matters the other day I found a copy of the Chronicle Almanac of 1878, in which appears a cartoon. It struck me that this would be a good thing for our library, and I wish to submit it. In looking through it I found this cartoon, and I think in the present state of the business it would be of interest now. This happened twenty years ago, and shows a group of agents discussing the situation, and the first agent says:

"They've got to reduce their salaries or quit this cut-throat business. Things are going to demnition."

Second Agent (anxiously)—"Who?—What?"

First Agent (vigorously)—"The officers; until their salaries are reduced the cut-throat game will be continued."

Third Agent (good-humoredly)—"I'm not so badly fixed as you are. I've a salary and a contingent interest in profits; but—, 'still I am not happy.'"

All (chorus)—"When this cruel war is over."

Then there is represented the Presidents in their office, and the first President says:

First President (gravely)—"Well, rates are rather low, and competition is a little wild; but, after all, it is the agents' commissions that swallow up the profits."

Second President (hopefully)—"Yes. We have decided to keep up the volume of business at any rate; and if we could at the same time reduce commissions, it would help to satisfy the stockholders."

(Applause.)

The President—

A motion to adjourn is now in order.

A Member—

I move that we adjourn this meeting to 9:30 A. M. to-morrow.

Motion seconded and carried, and the meeting accordingly stood adjourned to Thursday, 9:30 A. M., September 30.

SECOND DAY.

MORNING SESSION.

THURSDAY, September 30, 1897.

10 o'clock A. M.

The meeting was called to order by the President.

The President—

The first business before the meeting this morning will be the election of some new members who have sent in their names since the election of new members yesterday. The Secretary will read their names.

(The Secretary reads names of new applicants.)

The President—

You have heard the names read, gentlemen. What is your pleasure?

A Member—

I move, Mr. President, that they be accepted as members of this Association.

Motion seconded and carried unanimously, and the applicants accordingly declared members of the Association.

The President—

The first paper on our program this morning is entitled, "Special Agents versus Local Board Inspection."

The gentleman who will now address you is one of our younger members, who has already made a reputation for himself as an all-round field man.

I take pleasure in introducing to you Mr. James F. Joseph, of Cincinnati, State Agent for the Phenix Insurance Company of Brooklyn.

SPECIAL AGENTS VS. LOCAL BOARD INSPECTION.

Mr. James F. Joseph—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

"The moving finger writes; and having writ,

Moves on; nor all your piety nor wit

Shall lure it back to cancel half a line.

Nor all your tears wash out a word of it."

The assurance of my belief in these quoted lines enables you to

appreciate that I realize my inability to disown the authorship of this paper; therefore, believing that we assemble to present opinions intended to improve the efficiency of our methods, I shall with honesty of purpose frankly confess my mind and beseech you confuse not criticism with censure. The essential feature of Underwriting I believe is inspection. An inspection does not simply mean an instantaneous view through the window of a railway coach; the peripatetic exterior observation; the study of the variegated colored-map diagrams, nor the conversational promenade through an establishment in company with the owner, who occupies your entire time (excepting such as you devote in avoiding disarrangement of your garments or dimming the polish of your shoes) in attracting your attention to the best features of his risk. An inspection must give a concise but complete word reproduction of the risk, embodying each and every specific element of danger from cellar to garret; construction of building to requirement of hazard; location with reference to facilities required for conduct of the business; exposure; water for fire use; fire department; private protection; watchman and the watchman's watchman; congeniality of the hazard to the neighborhood, and local conditions determining the financial result of the enterprise. In reference to the watchman, I earnestly urge the reading of an able and practical paper by Mr. C. F. Simonson, General Inspector of the Hartford Fire Insurance Co. He has, I believe, solved this vexatious question, which has so materially strengthened excessive loss ratio. The great bulk of inspection reports are furnished the companies by Local Boards and Special Agents, and to a few companies by their General, Special or Expert Inspectors, and to this latter class I doff my cap in recognition of the manifold improvements in the systems of inspection and protection, resulting from their intelligent and practical work. The average company to-day abides by the inspection reports of its Special Agents in the majority of cases. On their judgment the management assumes financial indorsement of amounts that pale into insignificance the operations of our greatest banking institutions. To secure an intelligent inspection report on the lines previously drawn, requires not only a mental capacity above the ordinary calibre usually employed in mercantile and mechanical pursuits, but a practical knowledge of at least the rudiments of the various trades entering into and composing the hazards the companies assume. Not alone is the knowledge sufficient that enables the Special to recognize the various hazards, but he must be possessed of that ability necessary to intelligently demonstrate the simple and economical methods to remedy the defects, because, however able an inspection report, it utterly fails of result unless the assured receives from it such benefit as will enable him to eliminate the dangerous features of his risk. Such knowledge as is absolutely essential to the education of an Inspector cannot be gained from the theoretical school of the General Agency Office, from whence come many of our Inspectors. From the Local Agency school are graduated probably the majority of Special Agents,

and, while they have the opportunity of studying the hazard in a practical manner, they are naturally more interested in securing the acceptance of the line than in dissecting the hazard for the benefit of scientific Underwriting. The grave responsibility resting upon the judgment of the Inspector, not alone from the seeking of profit, but from a humane view of safety, should require that only such as are properly equipped should be entrusted with this work; but such is not the case. It is obvious that the inexperienced clerk is quite numerous in the field work, and that proper preparation of the *debutante* is woefully lacking, and if, on hewing this log that blocks the way to progress in inspecting, we "let the chips fall where they may," many of our Managers will get hit!

And now, my colleagues in martyrdom, the Special Agents, I desire to confess some of our faults in reference to our ability as Inspectors, and to state that I am unarmed and rely for protection solely upon honesty of opinion. A great number of field men are uneducated in many of the vital features of special hazards, owing to the lack of a much-needed school of preparation. In our anxiety to please the Local Agent we look through smoked glass and sign the authorization-ticket as a special favor. Obedient to the call for increase, however slight, from the General Agency, just to wind up in fitting manner the last, or any old month of the year, we are prone to look with less disfavor upon the dangerous defects that had previously actuated our declining that superannuated risk. The assured has injured, just at the wrong moment, our, at that same moment, supersensitive feelings, and ordinary defects that would undoubtedly be speedily remedied become so magnified through the dangerous lense as to make the risk totally undesirable, and we cancel and thereby avenge the insult. Then there is the Special Agent who "isn't deuce high" in our imagination. He has authorized your Local Agent to write a certain line and the Local expects you will see such amount and possibly raise. Do we inspect the risk? No; it's turned down. Have you ever noticed how many innumerable obstacles are found in the medium-class risk offered to our Local Agent by another Local Agent with whom we are trying to get even? Has it ever occurred to you how superior is the Local Agent's knowledge of hazards who resides in the poor hotel town? Now, as a matter of fact, have you not, in the majority of cases, secured improvements requested in your inspection report only through the medium of the Local Board? These and many more equally significant facts have existed, do exist, and will exist, and they represent a state of depravity in the Special Agent as an Inspector. Such conditions do not exist in the Inspection Department of a Local Board. Reference is made to "a" Local Board and not "the" Local Board, because the Local Board, as to-day constituted, is decidedly a stranger to perfection. Let us begin the organization of a Local Board by the selection of its executive head in the same careful manner that is practiced in the selection of the executives of the individual company, by the appointment of a

tried and seasoned Underwriter, and discard the method now in vogue of filling such positions from the pension ward. The Manager is unwilling to personally give a position to the unfortunate acquaintance who has persisted in demanding from the insurance fraternity a living, but judicious lobbying secures this acquaintance a position at the head of or as a member of the Local Board. The same typical acquaintance is also found among the Local Agents, and frequently enjoys his income from nominal contributions in the form of assessments so generously donated by the Local Agents, because it costs them nothing. Let the place seek the man; reverse the political practice of the man seeking the place. Leave the pull to the politician. As the companies assume and liquidate all expenses, let them select the man whose important duties mean so much to the companies' welfare. This is but a fair business proposition, and would meet the hearty approval of the intelligent and successful Local Agent. Let this Secretary, as we will name him, understand that his position is assured during such period as he shall properly perform his duties, and will not be jeopardized or lost because of his refusal to reduce rates for every disgruntled Agent. Make his compensation commensurate with the arduous labor always to perform, and remember that a man who can successfully control men under him must possess the ability to convince those above him. The assistants selected by such a man will undoubtedly be efficient, and they, knowing the permanency of their positions, will seek to higher things outside of putting in so many hours a day and drawing their salary. Place your Board on a practical business plane where company, agent and assured can secure intelligent information. Then will the Board be of incalculable value to all concerned, and not the recipient of caustic criticism so often well bestowed, by reason of their present admitted weakness. This, also, should include State organizations for jurisdiction of such points as do not warrant Local organizations. It is my belief that 75% of the time and money expended by Special Agents in individual inspections is wasted. Remember, also, the immense expense of large committees to the smaller points, and consider if thousands of dollars could not be saved by their discontinuance through the transfer of such duties to a State Board Secretary. You can clothe such a Secretary with full authority, and the right man could attain better results. Take these two great expense items and contribute but about 25% thereof to the improvement of the Inspection Department of Local and State Boards. Such outlay would be returned in manifold degree. Ninety-nine necessary improvements out of every hundred, as requested by the Special Agent, are secured by the Inspectors of the Local Board; therefore somebody's time is wasted. It has been argued that the Board Inspectors have not inspected the risks, and these defects would be unknown were it not for the Special Agent. True, but that is because the Board has not the necessary number of Inspectors, and because many are totally incompetent. The Board can readily secure improvements where the Special Agent is rebuffed.

The assured knows the Board represents all the companies, hence his entire line of insurance is under criticism, and recognizes the necessity of compliance or the advancement of rate, or cancellation of all policies. His refusal to the Special Agent he knows means but the disturbance of one policy, and, to assert his indifference to the Special, he is quite willing to accept of this slight trouble. The Board does not find embarrassment in the criticism of the assured, but the Special Agent, Company and Local Agent all share the censure and oftentimes loss of business, by individual requests for improvement. By declaring in favor of a general but improved system of inspection by the Local Board, I do not believe the Special Agents will be relegated to the farm. There are numberless duties for him to perform, to warrant his continuance on the pay-roll of the company, for did I not believe so, never any such suggestions as have been made would ever have the right to claim of me their parentage. For your stoicism, as evidenced by your patience, and for the humanity possessed, as shown by your liberality, I thank you, and in your criticism and censure may you approach the divine by remembering that "charity is the greatest of all." "What is writ, is writ. Would it were worthier."

(Applause.)

The President—

We have just listened to a very valuable paper, and it is a very good subject indeed for discussion. I would like to ask Mr. Crandall of Toronto, for a few remarks.

Mr. A. A. Crandall—

Mr. President, I cannot imagine what I have done to lead you to suppose that I feel myself capable of adding to what has just been said by the gentleman, and said so well. I would certainly be very glad personally to hear from some of the gentlemen here who are more capable to intelligently discuss this matter than I. There are men here who have given a great deal of thought to this subject, and to some extent have written upon it. It is probably because of the limited time given to our sessions that we do not hear more discussion; but when a subject as vital as this is brought up it seems to me it is a mistake to pass by that little word "discussion" which follows each subject on the program, and there could not be a more practical way of reaching this question.

The President—

Are there any other gentlemen who would like to make some remarks upon the last paper? If not, the Secretary will read communications just received.

The Secretary read the invitation from the City of Omaha, as follows:

Omaha, Neb., September 27, 1897.

Northwestern Underwriters' Association, Chicago, Ill.

Gentlemen: I take great pleasure, as Mayor of the City of Omaha, in extending to your organization a cordial invitation to hold your annual convention in Omaha in 1898.

Omaha will be the popular convention city of the country next year for many reasons. The Trans-Mississippi and international Exposition will be open to the world from June to October, and at least half the population of the globe is expected to be in attendance. The Exposition will be the greatest this country has seen excepting only the World's Fair, and many of our features we expect to rival or surpass it. Omaha will be a specially favorable location for conventions, for the reason that it is centrally situated, and the exceedingly low railroad rates to the Exposition will make it possible for many to attend conventions who could not do so if they were held elsewhere.

Omaha yields the palm of hospitality to no city on the continent, and we can assure you that we will give you a hearty welcome. The keys of the city shall be yours if you come to Omaha in 1898.

Respectfully, FRANK E. MOORE, Mayor.

Captain H. L. Palmer—

I hold in my hand an invitation from the Commercial Club of Omaha, extended to this Association, which I should like to read.

(Reads invitation.)

I wish to say on this matter, that when I first became a member of this Association several years ago, its meetings were held in towns like Toledo, Dayton, Louisville, Detroit, Milwaukee, and some fifteen years ago it settled down to Chicago permanently. There is nothing in the Constitution that prevents our meeting in Omaha next year. It is a matter to be settled by this Association. Omaha, as you understand, only a few years ago, when I first went there, was a town of about 16,000 inhabitants. They have now 140,000, and are located right in the center of the universe. A meeting of this kind there would be of great benefit to the underwriters generally in this section of the country. One-half of the working members of this Association reside in the Trans-Mississippi district; one-fourth of the actual members of this Association live in this territory. We have been coming to Chicago for the last fifteen or eighteen years regularly, and it seems to me that for once, inasmuch as we are going to hold an exposition there second only to the Chicago Fair, we ought, in justice to ourselves, to meet in that city and give an opportunity to the members of Ohio, Indiana and Wisconsin, and probably some in Illinois who have never been there, to see that great country that is unbounded in its wealth, embracing as it does three-fourths of the whole United States and nearly one-half of the wealth of the United States. It is a good point for underwriters to come to, and on behalf of the underwriters of that country

and the whole State of Nebraska I second the invitation most heartily and cordially, and promise entertainment and a meeting that you will enjoy. Then you may extend your visit two or three days seeing the exposition. I hope the members of this Association will take it upon themselves to vote for Omaha as the location of our next meeting, and in order to accomplish that I would like to move that a ballot be taken upon the location for the ensuing year, that the members may express their sentiments on that subject. I think it is proper, perfectly proper, for the Association itself to settle the question of location for the next annual meeting, and I would like to take a vote on it.

The President—

For the information of the members, I would like to have the Secretary read Section 24 of the By-laws.

(The Secretary reads Section 24.)

Mr. Eugene Harbeck—

If Mr. Palmer would modify his motion so as to have the sense of the meeting expressed it would be better. The power is evidently lodged in the Board of Directors. The motion should be to instruct the Board, or for expression of the sense of the meeting.

Mr. Palmer—

I cheerfully modify my motion and make it read that way.

Mr. Harbeck—

I would like to ask Mr. Palmer if he will guarantee us against the Attorney-General. According to the strict construction of the law they would probably take advantage of an opportunity to collar the whole lot of us and lock us up.

Mr. Palmer—

There will be no danger of that. We will guarantee you protection and the freedom of the city.

The President—

As the Chair understands, the motion then is that we take a vote as an expression of this meeting, whether it would be advisable to hold the meeting next year in Omaha or in Chicago?

Mr. H. C. Eddy—

I would like to see this go to the Board of Directors by correspondence.

Mr. Palmer—

I would simply like the members to have an expression by vote upon the subject, simply to find out whether we have enough here who feel disposed to have a meeting west of the Mississippi once. This is an opportunity that probably would not come again for a long time.

Chicago is the place for the meetings, I admit that frankly, but here is an opportunity for an exceptional meeting. The matter would have to go to the Board of Directors to decide the question as to the best interests of the Association. That is perfectly proper.

A Member—

I would like to ask Mr. Palmer if the hotel accommodations will be adequate?

Mr. Palmer—

There are now large buildings being erected, and there is no question as to accommodations. We will have the Convention City of next year. It is already arranged that there will be twelve or fifteen large conventions there. Of course, we will arrange our meeting not to come at the same time with the others. I would just like to find out if there is a sympathetic feeling or a desire on the part of members to hold the next meeting there, and if there is, of course, that would have its influence on the new Board of Directors to be elected to-day. I should prefer that the decision be left with the Board of Directors. There might arise circumstances that would make it impossible to meet in Omaha, but we promise you a successful meeting if you come there.

Mr. Harbeck—

I see no objection to having the meeting in Omaha if the majority desire it, and it will be an opportunity to see the West. I second Mr. Palmer's motion.

Mr. Palmer—

One more point: I understand the fare to Omaha and return will be one-half rate. That, of course, would make it less expensive to the Association than it is now.

The President—

You have heard the motion, that it is the sense of this meeting that we hold our meeting next year in the City of Omaha instead of Chicago. All those in favor signify it by saying Aye.

Motion carried.

The President—

The next thing on our program this morning is the paper entitled "Discriminating and Unjust Taxation."

I am very sorry to be obliged to announce that Mr. H. R. Hayden, who has prepared this paper, is unable to be present to-day, having been detained at home by illness. He has forwarded his paper to Charles A. Hewitt, editor of the *Insurance Post*, with the request that he deliver it in his usual good style. I therefore take great pleasure in introducing to you our good friend, Mr. Chas. A. Hewitt.

Mr. Hewitt—

Mr. President and Gentlemen: It seems to be my fortune to serve as a substitute—last year for Mr. A. F. Dean of Chicago, this year for Mr. H. R. Hayden of New York and Hartford. A year ago, at Washington, D. C., Mr. Hayden told of a Connecticut parson who used to pray, "Oh Lord, we come before Thee because we have nowhere else to go!" It is perhaps in somewhat the same spirit that men call upon a substitute on occasions of this kind. Mr. Hayden also told of another Connecticut parson, one given to long sermons. One of his parishioners was passing his house of a Monday, as the parson was cutting the grass in his front yard. "Parson, that's what you ought to do Sunday mornings," said the parishioner—"cut it short, I mean." Contrary to his good habit, Mr. Hayden has not "cut it short" in this instance. His subject is a large one, however, and anything written by Mr. H. R. Hayden, perhaps the ablest editor that insurance journalism ever had, is not likely to be too long, and is certain to give you something to think about.

You will remember that the address of Mr. Editor A. F. Dean last year (an address which is now said to have been written by his esteemed contemporary, the editor of *Once-In-a-While*, and written during his recovery from a long illness, when he had nothing to do but write, and write, and write), you will remember that that address contained references to "classic halls," and "ivied towers," and "Greek letter societies," and "spectacled comparative anatomists," and "preglacial monsters," and "stray bones" and things, not to mention "birds in their little nests" and "Shaughnessy's gyarden." You will remember also that Mr. Dean made sundry and divers references to a certain Mr. —, a Mr. —, Mr. Bryan (I believe it was), whom Mr. Dean mentioned in connection with the then forthcoming "November elections," or words to that effect. Mr. Hayden, being a more experienced editor, omits all such upholstery, and goes straight at his subject, as follows:

DISCRIMINATING TAXATION AND UNJUST LEGISLATION.

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

If I had given as much thought to the subjects assigned me before accepting your President's invitation as I have given to them since, I should have declined my present task. As it is, I am a melancholy illustration of that aphorism that attributes to the weak-minded a willingness to undertake tasks which fear deters more gifted beings from attempting. Either one of the two subjects of this paper (how happy I would be with either, were t'other dear charmer away), is more than enough to fill up the extreme time limit to which I permit

myself to bore an audience. It will therefore be necessary to take certain things for granted, and to deal with the more flagrant cases under both subjects, leaving others to be inferred rather than explained.

DISCRIMINATING TAXATION.

Taxation, to the extent to which it goes is confiscation, and is only justified under modern governments, or in fact under any form of civilized government, by a public necessity. The goods of the individual are held by him subject to the necessities of the whole body of citizens. He must give of his substance for the public defense, and also for the public welfare. There is no limit except the public necessity to this power of taxation. It may take part or all that we have. In this country we have one fixed rule governing taxation, and that is that it must be equalized so far as possible. We cannot devote the goods of Brown to a public use and leave untaxed those of Smith. Each must bear his portion of the public burden. You will pardon this statement of elementary principles, because we have to apply them to the taxation of fire insurance in order to see whether or not they have been violated.

It is not too much to say that in the case of fire insurance every principle of equal taxation has been lost sight of. Taxes are levied as a percentage of premiums, gross or net, upon capital stock and upon franchises. Recently an attempt has been made to levy taxes on premiums of companies by classes, dividing the companies into classes with a different rate for each class. That is now the law in Iowa, and will be until the courts get at it, and I understand that a test case is now in preparation. We have had for a quarter of a century something of this, but nothing so flagrant as was proposed during the past winter, both in Iowa and Pennsylvania. States have levied one rate on foreign companies, another on companies of other States, and have let off their own companies with a franchise tax or a tax on capital stock.

A tax upon the premium receipts of fire insurance companies is an utterly indefensible imposition from any point of view, so long as it is not applied to other kinds of business as well. When the State will tax the receipts of a merchant taken over his counter, the daily deposits of a bank, or, in short, the gross receipts from all classes of business, then and not till then will the taxation of fire insurance premiums become equal and just taxation.

It seems to me that a franchise tax is equally obnoxious. Corporations are chartered because of their usefulness, both to the public and to the private owners. They enable all of us who have small sums of money to invest, to engage in great enterprises, but further than that they enable great enterprises to be set on foot for the benefit of mankind. Fire insurance would be a poor and lame and impotent thing if it were not for the small sums, which in the aggregate represent fire insurance capital. These can only be gathered by a corporation. A franchise can only be valuable, can only create taxable value,

that is, when it creates a monopoly or gives special privileges not given to others. When a fire insurance company can be organized by filing its charter in the office of a town or county or State official, we grant that company nothing which gives us the right to impose a tax upon our consent. The stockholders of an insurance company have the same right to the protection of the laws that all of us have, and should not pay a special tax for such protection. The privilege of doing business, of earning a living, is one that has in it no element of property. It is a privilege which, in almost every other case, is left untaxed as is the air we breathe.

Perhaps you will say that I am leaving as the subject of taxation in fire insurance nothing but capital stock, but I am not going to leave even that. The capital of a merchant is invested in goods, that of a manufacturer in buildings and machinery, that of railroads in locomotives and cars and iron, but the capital of an insurance company, beyond its office furniture and whatever real estate it may own, is invested in the stocks or bonds of railroads or manufacturing corporations or municipal securities, and to tax the capital of an insurance company is to again tax the goods and buildings and machinery in which that capital is invested.

I read not long ago in a Southern paper—they have some queer ideas of financial matters in the South, as well as in other sections—that the South could not compete with the North in fire insurance because all its capital was needed for railroads and manufacturing purposes. A million dollars will not only start a manufacturing concern, but it will start a million dollar insurance company as well, with the manufacturing stocks as invested capital. Fire insurance needs no capital and uses none. In the case I have just cited let us suppose that the stockholders of the fire insurance company say, "We will sell our fire insurance stocks and go into manufacturing," and so start another million dollar manufactory, and that again furnishes capital for another insurance company. Have we created, by the help of a printing press, two millions of dollars worth of taxable property? Really there has been invested two millions, and upon the credit of that two millions invested in manufacturing we have set afloat two insurance companies whose sole financial backing is the money invested in the manufactories. To tax both is double taxation.

It is easy enough to accumulate wealth after this fashion, and we have no use for the lamp of Aladdin, having the modern joint stock insurance company with its power of reproducing wealth. But the modern statesman says that he cannot consent to let so lucrative a business as insurance go untaxed. Then let him tax it rationally, if he can find out what rational taxation of nothing is. Insurance companies can afford to pay taxes. Yes, greater taxes than they now pay, because the tax enters into the premium and there is no limit to the premium charge until it becomes prohibitive. It is not the insurance

company, but the premium payer who is the sufferer. Like Jones, the scale maker, he "pays the freight."

Have you ever thought what this taxation of fire insurance amounts to? My attention was called, not long since, to the last annual report of the Chicago & Rock Island railroad, and especially to a table on page 12, which gives the increased taxes as compared with the net earnings. Railroads are not taxed upon their gross income, but upon their property or their franchises. The taxes of this road, as compared with its net earnings, have increased from 4.24% in 1880 to 11.27% in 1896. Fire insurance companies doing business in, and reporting to the New York Insurance Department, paid, in 1896, 14.27% of their net income, the gross income being in round figures \$135,000,000, the losses and expenses \$113,000,000, leaving net income \$22,000,000, on which the taxes were \$3,158,653. The taxes paid were 25.42% of the net premiums. On the capital invested, most of which had already paid taxes, the rate was 5.53%. This is not confiscation, quite, but it approaches it. And yet in New England we growl loudly and deeply at a fifteen or twenty mill tax on a 50% valuation.

I have never heard any one attempt to justify fire insurance taxation. The most that we get is a sneer at corporations as tax dodgers, or something about insurance profits and large dividends. Would it not be well to suggest to that public before whose behests we must all bow, and which clamors for reduced premiums and increased taxes, that it should first cast the beam out of its own eye, so that it might see more clearly to remove the mote from its brother's eye!

Reluctant as I am to leave this branch of my paper with such a hasty and imperfect skimming of the surface, I must pass to the matter of

UNJUST LEGISLATION.

Pennsylvania, I believe, has the distinction of being the first State to begin a crusade against foreign insurance corporations, by prohibiting them from doing business in the State. This was in 1810. New York was a close second, having in 1814 passed an act prohibiting insurance by companies of other States and foreign countries. From the nature of this legislation, I think that it must be charged up to the account of the underwriters of that day. Let us be thankful that with rare exceptions the underwriters of our day are somewhat more liberal-minded. Whoever were responsible for the iniquities of that day their folly was of short duration.

We have fallen upon different times. The closing years of the century finds us in an area of excessive legislation. We all admit this and deplore it and have tried various ways of checking the tendency to legislate upon all conceivable subjects. Legislation has come to be considered in many quarters as a specific, but as we do not all like to take medicine we have thought that less frequent doses would be a good thing, and so have provided for less frequent sessions. Instead

of the old homeopathic practice of small doses and frequent ones, we now get allopathic treatment, and the whole barrel of medicine is poured down our throats, not in vials but in buckets. The biennial session has been a lamentable failure as a check on excessive legislation. There will not be another chance for two years, and not only present miseries have to be allayed but we look ahead for any possible needs that may come up. In my own State of Connecticut, the legislature which used to begin in May and end with the last run of shad, now commences its session in January and tries to adjourn in time for its Fourth of July celebration. Its laws go into effect on the first day of June following the adjournment, and now the legislature has to pass a special act putting them in force because the general assembly does not adjourn until after June 1.

In some States the session is limited, but that only means bills passed without consideration. In others the pay is limited, but even financial considerations will not stop modern legislation.

I have alluded to this merely as showing a tendency to legislate in these days, and to add that fire insurance must expect to bear its burdens with the rest.

During the last twenty years fire insurance has had special reason to deplore this modern tendency. In 1874 the Legislature of Wisconsin passed a valued-policy law. I wish that the skirts of underwriters could be entirely cleared of participation in that great offense, but I am afraid that they cannot. This was the beginning of a series of attempts, some of them successful, to put a premium upon rascality and make honest men pay the penalty.

At the risk of your dissent I am going to say that I do not believe the fire underwriter has anything to fear, in a business point of view, from a valued-policy law which merely covers buildings, and no honest property owner has anything to gain by it. It is purely a device to benefit rascals, and the rascals who own real property are too few to cut any figure in the total. There are statistics which prove the valued policy both a blessing and a curse, but both kinds of statistics are unreliable. I have spent days of time putting together figures upon this subject and trying to arrive at a conclusion, but must confess myself utterly baffled. I shall ask your leave, however, to print with this paper two tables without boring you with the reading of them. One is from the figures made by the Insurance Commissioner of New Hampshire, who in the innocence of his official soul believes that they prove that a law which is intended to increase losses really reduces losses. If the belief is a personal as well as an official one, it can only be attributed to his Milesian origin. To an underwriter something besides a valued-policy law is responsible for the remarkable results of business in New Hampshire, as disclosed in the official reports following the passage of that law in 1884.

The other table is taken from the Wisconsin reports, and embraces the whole period, before and after, covered by the reports, namely,

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from 1870 to 1896. The percentages in these tables I have not figured from premium receipts, as is usual, because if we want to ascertain whether losses have increased or not in any given time, we can only do so by a percentage to the amount at risk. The premium represents—when he can control it—the underwriter's estimate of the risk, and whether he is actuated in this estimate by facts or by his fears, it is a shifting sand upon which to build a statistical foundation. As the amount at risk is unattainable, I have taken the next best thing, the amount written and the losses paid.

NEW HAMPSHIRE.

TABLE 1.

Year.	Risks Written.	Losses Paid.	Per Cent.
1874.....	\$38,923,843	\$314,077	.80
1875.....	43,539,576	426,646	.98
1876.....	44,214,248	424,746	.96
1877.....	38,226,890	294,427	.77
1878.....	38,447,894	400,355	1.04
1879.....	37,728,541	343,682	.91
1880.....	39,947,421	279,024	.70
1881.....	41,625,013	374,962	.90
1882.....	48,263,719	391,067	.81
1883.....	50,968,941	382,892	.75
1884.....	44,724,531	308,242	.69
	\$466,610,617	\$3,940,120	.4

NEW HAMPSHIRE.

TABLE 2.

Year.	Risks Written.	Losses Paid.	Per Cent.
1886.....	\$44,466,434	\$112,030	.25
1887.....	55,550,441	399,084	.72
1888.....	60,810,197	269,635	.44
1889.....	62,829,643	231,300	.37
1890.....	75,336,186	416,320	.55
1891.....	75,966,240	363,427	.48
1892.....	83,561,936	592,638	.71
1893.....	95,348,305	450,042	.47
1894.....	76,071,775	573,076	.75
1895.....	82,989,202	581,736	.58
1896.....	89,427,741	553,046	.62
	\$805,358,100	\$4,442,334	.55

WISCONSIN.

Year.	No. of Companies.	Risks Written.	Premiums Received.	Losses Paid.	Ratio of Losses to Premiums.	Ratio of Losses to Risks Written.
1870	88	\$147,172,955	\$1,622,332	\$1,175,212	73.05	.80
1871	77	122,084,461	1,436,197	713,080	49.72	.584
1872	88	142,351,376	1,910,677	822,637	48.29	.58
1873	109	157,406,089	2,174,931	993,281	45.67	.631
1874	114	154,795,630	2,271,059	1,010,023	44.47	.652
		\$723,810,511	\$9,415,196	\$4,714,233	50.00	.65
1875	133	\$147,440,316	\$2,110,034	\$1,877,171	89.00	1.27
1876	139	133,614,294	1,798,428	634,674	35.28	.48
1877	123	146,943,804	1,645,110	973,913	59.20	.66
1878	120	140,411,389	1,508,955	965,478	63.98	.69
1879	134	151,731,034	1,589,472	1,037,183	65.26	.683
1880	133	161,660,860	1,766,528	1,143,541	64.73	.71
1881	129	164,175,523	2,997,317	957,816	31.95	.583
1882	129	174,005,535	2,238,463	1,340,372	59.87	.77
1883	122	191,637,742	2,525,690	1,748,180	69.21	.91
1884	122	200,317,932	2,683,737	2,006,213	74.38	1.00
1885	133	202,955,612	2,903,010	2,256,352	77.72	1.11
1886	139	199,527,917	2,882,692	1,723,082	59.77	.663
1887	155	194,765,315	2,914,999	1,692,504	58.00	.87
1888	158	207,011,084	3,288,257	1,813,152	55.14	.88
1889	152	212,722,110	3,200,474	1,772,691	55.39	.83
1890	148	238,368,106	3,413,968	1,372,550	40.20	.58
1891	130	259,636,123	3,612,821	1,581,876	43.78	.61
1892	123	293,602,760	4,202,789	3,303,512	78.36	1.12
1893	119	299,664,712	4,529,107	3,195,397	69.49	1.06
1894	115	274,040,117	4,437,467	2,974,373	67.03	1.10
1895	120	290,248,625	4,559,067	3,297,731	72.33	1.14
1896	143	253,963,018	4,391,133	1,680,987	38.28	.66
		\$4,538,443,928	\$65,199,518	\$39,348,718	60.35	.87

I have made these tables and must print them, but they are more curious than useful. If they prove that the valued policy is a good thing in New Hampshire they prove equally that it is a bad thing in Wisconsin. If either set of figures is to be relied upon in this connection, that of Wisconsin is the more trustworthy. But there are facts known to the practical underwriter which render these statistics useless. The disturbing elements are, in the case of New Hampshire, the large amount of outstanding business in companies which withdrew from the State after the passage of the law and which can only be guessed at. This business all ran off with losses but with no premiums, while the amount written fell off as well. Then there were the millions spent in improved waterworks and Fire Departments. The increase in long-term business in both States would have a tendency to increase the percentage of losses to risks written. In 1886 the long-term business was 48.5% of the business in force. In 1896 it was 57.5%.

One must make up his judgment as to the effect of this law from other sources. At the present day there is very little over-insurance

on buildings. The Massachusetts report for 1896 gives the statistics of fires in that State for eighteen years. During that time there were 43,265 fires, 9,897 of which involved total losses, 23%. The insurance covering all these losses was \$302,465,870, and the losses paid were \$73,587,442, a loss to insurance of 24.33%. One who looks carefully over the list of fires classed as incendiary and notes the loss and insurance, will see that some other motive than insurance money is at the bottom of this crime.

To prove, if that were possible, that these laws have been useless to promote their object, does not condone the offense of their enactment. It only proves that men will be honest in spite of temptation, and that, to quote Lord Macaulay:

No ordinary misfortune, no ordinary misgovernment, will do so much to make a nation wretched as the constant progress of physical knowledge and the constant effort of every man to better himself will do to make a nation prosperous.

ANTI-COMPACT LAWS.

In 1885 several States passed anti-compact laws, but they attracted little attention until, in 1887, after several fruitless attempts, the Legislature of Michigan finally passed a law compelling fire insurance companies to enter into an undertaking, as a condition of being permitted to do business in that State, that they would not, "directly or indirectly, enter into any compact, agreement, arrangement or undertaking of any nature or kind whatever with any other company, companies, association or associations, the object or effect of which is to prevent open and free competition * * * in the business transacted in this State or in any part thereof." History should have warned us of the futility of such legislation, but I have noticed that history has no warnings which modern legislators feel bound to respect. They have an apparently implicit belief in the cabalistic nature of the words, "be it enacted."

The modern legislator believes that he can abolish all agreements between companies about rates by an act prohibiting such agreements, and that having done so rates will at once drop to his conception of what is normal. Beyond a test case to try the constitutionality of the law, I do not remember that there has been a prosecution under this Michigan statute in all these years. There is a fair presumption that for ten years Michigan has had free competition in fire insurance, at least so far as legislation can control it. Well, have rates dropped to a point satisfactory to the furniture manufacturers of Grand Rapids, who instigated this legislation? The figures show that the average rate in Michigan in 1877 was 144 cents, and in 1896 148 cents. Georgia passed an anti-compact law in 1890, when its average rate was 127 cents. The rate in 1896 was 139 cents. Kansas passed the law in 1889 with a rate of 137 cents, and is now rejoicing in a rate of 148 cents. Missouri passed the law, or rather adapted it, in 1895, and it is too soon for any statistics, but not too soon to hear the ominous growl

of the *Kansas City Times* and the roar, or uproar, of Crow and Orear. Nebraska passed a law in 1889 which may possibly apply to insurance companies, but it is rather indefinite. Its rate has gone down since that date from 166 cents to 154 cents. New Hampshire passed a law in 1885 to revoke the certificate of any company entering into a compact. I believe no certificate has been revoked for this cause, so that we must assume that no compact has existed in New Hampshire. Its rate has gone from 160 cents in 1884 to 133 cents in 1896. The Insurance Commissioner of that State attributes this to the valued-policy law, but most of us are in the habit of crediting the improvement in risks and in water supply and Fire Departments with having had an influence on New Hampshire rates. In Ohio the law was passed in 1885, and the rate has gone from 112 cents to 117 cents. The tables published by the National Board for the whole country show that the rate has declined from 90 cents to 87 cents since 1885.

Is not this rather a striking lesson in the futility of such repressive legislation? It is one more proof of what the history of the race has taught us from the beginning, that no statute can reverse natural laws nor prevent the free course of business, except at a loss to the whole community.

If the legislator has believed that fire insurance rates will become extortionate unless he interposes with repressive legislation, the underwriter has been equally blind in the belief that he cannot do business successfully except through combination. If there were no agreement among companies as to rates, he says, the bottom would drop out. The history of the past quarter of a century should have taught us that while rate agreements are a great convenience, they are not a necessity to the successful conduct of the business. Experience should have taught us—is teaching us if we will but learn—that rates survive even rate wars. Fire underwriters have their little skirmishes, as do transportation companies and boarding-houses, but they scarcely ripple the surface of business. All of us must in the end get paid for our labor, and we will get little else in the long run unless we get it through vicious legislation which creates monopolies.

There has never been a stronger rating organization than was the National Board from 1872 to 1876, but even during the three or four years of its great prosperity, having the calamities of Chicago and Boston as beacons of warning behind it, it could not maintain rates out of proportion to the risk which we all felt. One cannot read the proceedings of those years without realizing the great struggle against internal strife, which ended in a few years in the entire collapse of the Board as a rate-making organization. You of the middle West know how difficult it is to maintain any organization in the face of undue prosperity. You may have a giant's strength, but you cannot use it as a giant without bringing down the pillars of the temple about your own heads. And so a rate-making organization is necessarily a conservative organization if it is to live. It can do much for the busi-

ness, but it cannot make rates which are exorbitant and maintain them. That is the history of all organizations to curb business freedom. They exist only so long as they do not unduly provoke competition. In the end, each company is a law unto itself, and makes its rates whether rating organizations exist or not.

CO-INSURANCE.

Of late years there has been an unreasoning prejudice engendered against all limiting clauses in fire insurance policies, and especially against "loss," "value," and "co-insurance" clauses. The two former are intended by the underwriter to compel the owner to bear a portion of his loss, and the latter to compel full insurance, unless it is limited in its operation. None of these clauses seems to be understood by the legislators who have undertaken to pass laws against them, and the co-insurance clause, laws against which are now in force in some nine or ten States, seems to be an insoluble conundrum to the average legislator. Really all that there is of it is a desire on the part of underwriters to adjust rates equitably between the insured. It certainly is not worth while to insist upon it if the beneficiaries are going to kick about it, and underwriters generally are coming to the conclusion that the only advisable action is to give a lower rate for its use. If it were adopted universally it would harm no one except the man who gambles on partial losses and so carries less insurance than his neighbor. There are many men fairly posted on fire insurance, who consider a co-insurance clause in the same light that the man did who thought the best place to have boils was on the other fellow.

I must pass with a mere mention some other unjust laws regarding fire insurance, such as deposit laws, which began in a desire to sell depreciated securities of the States enacting them; retaliatory laws, which are remains of old-time barbarism; State policy forms, which are an unjust interference by the rest of us with the freedom of contract; resident agents' laws, which are a nuisance to everybody; some of the laws regarding re-insurance, which are a dead letter, but are no more lifeless now than when they were enacted. There are others, but I will not "vex your ears with vain recital of the wrongs you know but cannot heal."

And so to the conclusion of a paper already, I fear, too long. The remedy for discriminating taxes is, it seems to me, not to make any effort to avoid taxes, but to firmly insist that others should be taxed as insurance is taxed. Fire insurance taxation is really of very little concern to the underwriter. Whatever the exaction is it becomes a part of the premium. Let that be understood. As between insurance companies equal taxation is a right that I believe may be enforced. Certainly anything else is an injustice. With our varying tax laws such equity may be difficult, but it ought not to be impossible.

As to legislation, the less we have of it the better. The fire insurance contract is a voluntary one, terminable at the will of either party

to it. It does not need to be elaborately fenced about by statutes. A fire insurance company is not an octopus, and has no tentacles reaching out and gathering in victims. What it offers we can take or leave as we choose. It is not a "trust," because it has no control of the market and is constantly in active competition with others for all that it can get. It makes rates; so must every man in business who assumes any financial liability. All that the State gives it is what it gives you and me as stockholders in limiting our liability to the amount of our stock. *That* it gives to the stockholder in any corporation, and does not thereby consider that it is its duty or its privilege to conduct the business of the corporation. Will some one who has done a little thinking upon this subject tell me why the insurance corporation should have its contracts prescribed for it by the State; why it should be prohibited from using a co-insurance clause, or a loss clause, or any other limiting clause which may seem to it useful in business; why it should be restricted to State lines and not be free, as other corporations are, to prosecute its business wherever the stars and stripes protect them; why the States of Connecticut and New York should consider it their duty and privilege to retaliate upon insurance corporations for the transgressions of legislators and governments; why there should be put upon insurance a burden of taxation that no legislature would dare to put upon any other business; why insurance companies should be considered and treated as bankrupt when they are abundantly able to meet all their financial engagements; and why, as the monumental outrage, there should be let loose upon insurance a horde of official pirates to levy blackmail, and otherwise by fines and fees and licenses and legal advertising deplete its treasury?

You are in charge of the police! When are you going to demand the freedom of American citizens?

Mr. H. C. Eddy—

It seems to me a proper time to hear the report of the Committee on the Nomination of Directors for the ensuing year.

The President—

We will hear the report of the Committee.

REPORT OF COMMITTEE TO NOMINATE DIRECTORS.

Mr. H. C. Eddy—

MR. PRESIDENT AND GENTLEMEN:

Your committee respectfully submit their report, as follows:

S. E. CATE.....	Chicago.....	Illinois.
J. H. LENEHAN.....	Chicago.....	Illinois.
A. E. PINCKNEY.....	Kansas City	Missouri.
J. C. GRIFFITHS.....	Chicago.....	Illinois.
J. A. KELSEY.....	Chicago.....	Illinois.

REPORT OF COMMITTEE ON PRESIDENT'S ADDRESS. 113

J. P. SHERIDAN.....	Saginaw	Michigan.
R. L. RAYNOLDS.....	Omaha	Nebraska.
M. W. VAN VALKENBURG.....	Topeka	Kansas.
JOHN E. DAVIES	Racine.....	Wisconsin.
D. S. WAGNER.....	Chicago.....	Illinois.
E. V. MUNN.....	Chicago.....	Illinois.
JOHN C. INGRAM.....	Indianapolis.....	Indiana.
GEO. H. MOORE	Chicago.....	Illinois.

In this list there are seven from Chicago. That is deemed desirable and necessary in order to get a quorum of the Board of Directors.

H. C. EDDY,
W. D. BRADSHAW,
OTTO E. GREELY,
CHAS. H. BARRY,
M. H. N. RAYMOND,
Committee.

The President—

Gentlemen, you have heard the report of the Committee. What is your pleasure?

Mr. H. C. Eddy—

From this list of thirteen Directors must be selected a President, Vice-President, Secretary and Treasurer.

Mr. Eugene Harbeck—

Mr. President, I move the acceptance of the report, and that the Secretary be instructed to cast the ballot of this Association electing the members named in this list as Directors for the ensuing year.

Motion seconded and carried unanimously.

The Secretary announced that he had cast the ballot as directed, and the President announced the election of the thirteen Directors as named.

The President—

We will hear the report of the Committee on the President's Address.

REPORT OF COMMITTEE ON PRESIDENT'S ADDRESS.

Mr. J. W. O'Brien—

TO THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

Your committee to whom was referred the President's address, beg leave to submit the following report:

We find the address to be a very able presentation, in its pleasing introductory, its warm welcome to members and distinguished guests, and its beautiful, yet sad tribute to the honored dead.

Aside from these are many timely suggestions, as is evidenced in his remarks upon legislation; the multiple agency system; the ideal Insurance Commissioner, and that ever proper and important factor—the Local Agent. Under all these heads he has given us food for thought, and we recommend the careful perusal of them all by our members.

We recommend that a vote of thanks be extended to Mrs. C. E. Bliven for valuable additions to the library, and that written expressions of same be sent her.

J. W. O'BRIEN,
D. W. WELLS,
W. E. PAGE,
GEO. M. FISHER,
H. H. WALKER,

Committee.

The President—

Gentlemen, you have heard the report of the Committee. What is your pleasure?

A Member—

I move that it be accepted.

Motion seconded and carried unanimously.

The President—

The next paper on our program is entitled "Underwriters' Associations Generally."

This paper has been prepared by a gentleman of very wide experience in underwriting, his field as Manager and General Agent having extended all over the United States and, I believe, over part of Queen Lil's territory. His reputation as an underwriter of ability is well known, not only in this country, but in Europe. He has traveled a great many miles to be present at this meeting, and I trust you will give him your closest attention.

I take great pleasure in introducing Mr. C. F. Mullins, Manager of the Commercial Union Assurance Company for the Pacific Coast Department.

(Applause.)

Mr. C. F. Mullins—

Mr. President, Ladies and Gentlemen: I feel that a few words before commencing this paper would perhaps be desirable, for the reason that some of the remarks in it are decidedly of an elementary character, which, if intended solely for this Association, would be out of place; but I have an object in view beyond the pleasure of addressing this Association, which is to reach the Local Agents in my own field and I hope in other fields, and I know of no better method of reaching them than by an address before this Association. The paper also contains some statistics, but I will not tire you by reading them in detail, except when necessary. I found it necessary to place those

statistics in the paper because, in making certain assertions in the absence of those statistics, they must necessarily remain assertions, but by giving the figures I have removed them from the ground of doubt and placed them in the light of facts.

I might add that, through my own fault, the paper appears on the program as "Underwriters' Associations Generally." That, I believe, is in accordance with the letter I wrote our President when I accepted his invitation; but I have entitled it rather, "The Uses of Underwriters' Associations," demonstrating their benefit to the insurance public. I have tried to do so in order that the agent, through this paper, may answer the average business man and the average legislator whose mind is open to conviction, and when addressing anyone whose mind is not open to conviction we may as well save our breath.

THE USES OF THE UNDERWRITERS' ASSOCIATIONS.

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

Having accepted the honor of an invitation to address your Association, my first thought was—How can I do the most good to the profession I have had the privilege to belong to for over thirty years? And that thought suggested another—who composes the Association you are going to address, and why is it called together? The major part of your members are Missionaries that are constantly traveling in the highways and byeways preaching the gospel of fire insurance, and the crop to be gathered by the companies they represent may be figs or thistles, in accordance with the seed sown and the knowledge possessed by them; therefore you come together in this Association to teach and learn. There is also another side to your meetings, viz.: the social side; but that is best attended to at the banquet which follows your business proceedings. I have therefore decided to address you as best I can on the subject of "Underwriters' Associations," and as simply as possible put before you the uses of such Associations and answer some of the most popular complaints against them. I am aware that to the older members much that I shall have to say will have been better said before, but my salutation is not to "those who are about to die"—it is for the younger Missionaries, that they may correctly and simply explain the uses and objects of Underwriters' Associations to Local Agents, to the public, to the anti-insurance legislator and wherever it may do good; and if I succeed in throwing a ray of light into some of the dark places and enable some of the friends of insurance capital to specifically refute some of the charges against Underwriters' Associations, based on erroneous ideas or *ex parte* statistics over limited areas, I shall be well repaid.

THE PRINCIPAL USES OF UNDERWRITERS' ASSOCIATIONS.

I shall deal with this briefly because the facts are so self-evident, and other parts of this paper call for more lengthy consideration.

1st. Rating can be done more economically by Underwriters' Associations than by any other method: if not so done, the expense in this direction must of necessity increase at the cost of the public.

2d. In large cities inspections can be more economically and better made: if not so done, the increased expense must fall upon the public; if not done at all, the loss ratio will increase and the expense to the public will become still greater. Such inspections aid in enforcing building laws and fire ordinances which, through inefficiency or lack of funds, are often ignored or badly cared for by the local authorities. As an illustration of the importance of this work, I would state that in the City of San Francisco, where I reside, during the last twelve months 17,138 buildings have been inspected and 6,940 complaints remedied (more than half of them being violation of City Fire Ordinances) by the Inspection Bureau supported by insurance companies. As an illustration of its value, I give a few of the most important defects remedied:

Wooden ash barrels removed.....	1,626
Defective stovepipes repaired.....	406
Electrical changes.....	695
Open flue holes protected.....	490
Rubbish removed.....	1,228
Etc., Etc.	

3d. Rates are equalized and improved construction encouraged.

4th. Prompt recognition is given for improvements in fire hazards, fire departments, water supplies, etc.

5th. By Underwriters' Associations alone can undue competition be prevented in the remuneration of agents and brokers, and in the absence thereof the increased cost must be paid by the public.

6th. Underwriters' Patrols are maintained, which save large quantities of property, thereby reducing losses incurred and rates charged the public.

7th. The education of local governing bodies, architects, builders and the public as to improvements in building construction, and the securing of the passage of fire ordinances and building laws.

8th. Improvements in Fire Departments and water supplies are encouraged by reduced rates and other methods.

All these uses are approved by the public and legislative bodies (at least I have never heard them objected to) save one—that we must not make rates; but if *we cannot do that then a cut-throat policy must follow* and the funds will not be forthcoming for the important work of Associations that tend to reduce rates, losses and expenses to the benefit of the public.

Commissioner Fricke, of Wisconsin, recently said: "Rate wars

have never yet, in the long run, benefited the people, while they have ruined and crippled the companies."

RATES ARE REDUCED BY UNDERWRITERS' ASSOCIATIONS.

Underwriters say to the public, "Let us coöperate for our mutual benefit and you shall participate in the saving of losses and expenses." But some of our Legislatures say, "You may give us all the benefits you like from your associated effort, but we will give you nothing but the right to scratch for a living." My experience is that the best returns in this world are from people and things best cared for—a man raising poultry would not expect the best results by letting his hens scratch for a living.

When speaking to the public of the uses of Underwriters' Associations, we are almost universally met with the statement that all the reductions of losses, expenses, etc., go to the benefit of insurance companies, so to set that at rest I have obtained the following figures from the New York Insurance Reports, as they give the best exhibit obtainable of the business in the United States, and I find:

Year.	Sum Insured.	Rate.
1876.....	\$6,626,310,367	\$00.99
1886.....	9,593,732,321	01.02
1896.....	14,500,172,950	00.92

These figures show that in spite of the so-called insurance monopolies the business of the United States last year was done at 7c per \$100 less than twenty years ago, which, figured on the total sum insured, means a saving to the insuring public during 1896 of \$10,150,121, which makes the claim good that associated effort enables us to benefit the public as well as ourselves.

Take from Underwriters' Associations the power to protect themselves by making rates, if you will; but while Underwriters recognize a duality of interests with the public, they do not claim to be organized for philanthropic purposes only. To sum it all up—No rates, no Associations; no Associations, increased losses and expenses. Increased losses and expenses mean increased cost at the expense of the public.

President Wm. B. Clark at the last annual meeting of the National Board said: "While tariff associations are denounced by some as combinations, trusts, etc., they are not so in any obnoxious sense, but are formed for the purpose of establishing fair conservative rates, *based on large experience*, and, I might add, are so established under the law of self-preservation."

HAVE UNDERWRITERS' ASSOCIATIONS ROBBED THE PUBLIC?

In the *Spectator* of April 29th, 1897, appeared a table giving the fire underwriting profits and losses in a decade of sixty millionaire companies. For the purposes of this paper I have divided them into the thirty-two companies making a profit and the twenty-eight companies making a loss.

	Premiums Received Jan. 1, 1887 to Jan. 1, 1897.	Total Expen- ditures (not including Dividends) to Jan. 1, 1897.	Liabilities (except Capital) Jan. 1, 1887.	Liabilities (except Capital) Jan. 1, 1897.	Profit on Business Jan. 1, 1887 to Jan. 1, 1897.	Loss on Business Jan. 1, 1887 to Jan. 1, 1897.
32 Companies.....	\$590,775,369	\$543,195,778	\$39,429,265	\$67,195,057	\$19,814,699	
28 Companies.....	333,930,985	331,493,629	24,350,027	35,427,311		\$8,640,828
Totals	\$924,706,354	\$874,689,407	\$63,779,292	\$102,622,368	\$19,814,699	
						Less Loss 28 Companies..... 8,640,828
Net Profit.....					\$11,173,871	
						Per Cent. of Profit.....1.21

I cannot, however, quite agree with the *Spectator's* basis of figuring profit. Their method of figuring is correct according to the Standard of Reserves required under the law, but actual experience shows that the reserves are in excess of what is necessary to run off the business. Taking the basis of 50% on annual and *pro rata* on term business as re-insurance reserve, the grand average is 63.23%.

Experience on a business of the average written by the sixty companies under review can be terminated at 35% in the absence of serious conflagration. The increase in liabilities figures \$38,843,076; this at 63.23% would represent an increase of unexpired premiums amounting to \$61,431,417; a working reserve thereon at 35% would be \$21,500,990 instead of \$38,843,076, making a saving of \$17,343,086 to be added to profit on termination of the business; making a total of \$28,516,957, equal to a profit of 3.0730 instead of 1.21%. So that 3.07% is the profit on Underwriting made and *to be made* by sixty companies doing the largest business in the last ten years, involving \$924,706,354 premium income.

Taking the thirty-two companies that made a profit, the increase in liabilities figures \$27,765,792; this at 63.23% represents an increase of unexpired premiums amounting to \$43,912,371; a working reserve thereon at 35% would be \$14,379,329 instead of \$27,765,792, a saving of \$13,386,463 to be added to profit of \$19,814,699 on termination of the business; making a total of \$33,191,162, equal to 5.61% as the profit made and *to be made* by the thirty-two most successful fire insurance companies in the last ten years on a premium income of \$590,775,369. This result of 5.61%, it must be borne in mind, is the *maximum profit possible* under favorable conditions; a conflagration like Boston or Chicago would turn the profit into a 10% loss. Analyzing these figures of average profit a little further, let us say half the Underwriting profits are used to pay dividends in addition to interest on investments, and the other half added to surplus, it would only require one Chicago or Boston conflagration, with two or three smaller ones (such as Seattle or Spokane), to occur during a century to wipe out the whole of such reserves.

In his annual address to the National Board of Fire Underwriters in 1891, President Heald gave the following facts:

Results of 148 companies in the United States—50 New York, 74

THE USES OF THE UNDERWRITERS' ASSOCIATIONS. 119

other State and 24 foreign—are summarized as follows, from date of organization to January 1, 1890:

RESULT OF ALL.

Total premiums received by 148 companies	
since organization	\$1,686,090,176
Total losses paid by 148 companies since organization.....	\$970,142,383
Unpaid losses and other claims, December 31, 1890.....	9,603,699
Unearned premiums, December 31, 1890.....	79,364,017
Average expenses, at 33.71, as per Table VIII....	568,380,998
	1,627,491,097
Average profit, 3.0475.....	\$58,599,079

It will thus be seen that the *actual* results of 148 existing companies from date of incorporation showed a profit of 3.0475%, and that the sixty companies doing the largest business in the last ten years have a profit of 3.0730%, showing a difference of only one-fortieth of one cent. The figures involved being of magnitude, covering different companies and different periods, should be conclusive proof of the correctness of the results.

President Clark, in his annual address this year before the National Board of Fire Underwriters, speaking as to the result of *all companies*, as shown by sworn statements filed with New York Insurance Department, said: "In 1891 there was a loss of 9.19% on fire premiums; in 1892, a loss of 5.74%; in 1893, a loss of 7.7%. The last three years have been profitable. For the entire six years the net profit was \$4,874,432, which is only 68-100 of 1%."

All the foregoing relates to surviving companies; the aggregate results of the business are not so good. The returns of the National Board (page 64 of 1897 Annual Report) show that since 1860 there have been 815 Stock Companies that have failed and gone out of business, representing \$117,312,633 capital and \$191,878,452 assets. This does not include Mutuals, Lloyds, etc., that have failed. Do these *facts* suggest "robbing the public?"

As for the fear that Underwriters' Associations unduly favor insurance capital, a consideration of the laws of competition should be sufficient for its dismissal from the mind. Whenever the margin of profit in any business becomes unusually large, then surplus capital is sure to rush in to reap the advantages, and thus the average of reasonable gain is soon restored. Not merely surplus capital will come into such business, but some will be sure to be withdrawn from less profitable investments to enter into the competition.

AS TO THE CHARGE OF EXCESSIVE EXPENSES IN CONDUCTING FIRE INSURANCE BUSINESS.

As appears elsewhere in this paper, the *actual* results to the end of 1889 of 148 companies on \$1,686,090,176 premium income show a total

expense account of 33.71% since their organization, many dating back for very long periods, the ratio of expense from 1860 to 1896, inclusive, on \$2,760,040,061 is 34.29%. Expenses and profit have taken 37.36% and there has been paid for losses and reserved for increased outstanding liabilities 62.64%. This amount may be said to form the *raw material* of our business, and I think the public get more for their money than in any other commodity they purchase. Do they sell us a suit of clothes at the price of wool, a loaf of bread at the price of wheat, a set of furniture at the cost of wood, and so on *ad infinitum*? There is nothing I know of where so small a margin is left between the raw material and the selling price. We will examine how this margin of 34.29% is disposed. To begin with, the system of many offices is to charge Expense Account with loss adjustment expenses, which, as the result of a fire claim, should go to Loss Account as a charge to raw material. This would bring down the expense easily to, say, 33.50%. From this deduct 2.60% taxes and Insurance Department fees (actual results of 1896), and we have 30.90% as expenses, of which 16.61% (actual results of 1896) is expended for agents and brokers' commission, and of the 14.29% balance a large proportion is expended on *material to perfect the raw material*, viz.; Rents, traveling, printing, stationery, postage, telegrams, express, exchange, fire patrols, advertising required by law, inspections, rating, etc., *a large portion being spent outside the insurance world*; the balance remaining for administrative purposes being very small, when the detail work of the business is considered and the army of clerks and other employees required to conduct it intelligently.

The *Post Magazine and Insurance Monitor*, replying to a criticism on the expenses of Fire Offices, said in July last: "If the Editor of the *Standard* approaches the question with an open mind and is candid enough to avow his conclusions, we think he cannot but admit that the work of a fire insurance company is no longer that of a mere distributor of a portion of the annual loss entailed upon the community by the ravages of fire. He will find that the study and practice of the scientific prevention of fires form a leading feature in the ordinary work of every fire office; that such work, involving as it does the employment of experts and the conducting of continuous and elaborate experiments, costs money; and that the community at large, irrespective of the proportions which its insured members bear to the uninsured, benefits to an untold degree by such research.

"As a profession which, as we have thus pointed out, can only be carried on by trained men, every department having need of its own specialist, it necessarily requires for its development much more than is remembered or recognized by the ordinary shareholder. It is just because Fire insurance has been the means of giving to the world new ideas (to take only a few instances) on electric lighting, the storage and treatment of chemicals, the lubrication of machinery, the explosiveness of flour dust and the ramifications of spontaneous combus-

tion, that the measure of its success is to be gauged more by the quality of the brainwork brought to bear upon it than by the amount of the capital invested in it."

As some of the ablest men in the country are at the head offices of our companies in charge of their financial affairs, it is fair to assume they are keeping expenses at a minimum, and the results are highly creditable to them. The end of the whole matter is that competition forces wealth and brains to combine and find the cheapest method of production, and the consumer soon gets the benefit of any reduction consistent with sound security and business principles.

A WORD ABOUT TAXATION.

As the actual profit on \$2,403,626,929 of premiums is shown to be only 3.07% and the taxes and fees equal 2.60%, it is evident that an increase of taxation over the present 85% on net profits of the business must result in the public being called upon to pay it, and a tax on an insurance company or any other provident society is merely an injustice to the provident or needy. As an example, I will take the taxing of insurance premiums. The small storekeeper, householder and those who must insure to save losing their all or to keep their credit good at the bank, or with merchants of whom they purchase their stocks, have to pay this tax—for as they must insure, equally must the insurance company charge the amount of taxes in the rate, while the individual millionaire, the railroad or other corporation able to take their own risk, or improvident man willing to risk his all without insurance, pays nothing in the shape of an insurance tax; this seems a strange method for our legislators to secure "equal rights to all."

ABOUT TAKING MONEY OUT OF A STATE.

Superintendent Webb McNall, of Kansas, says in his last report: "What Kansas most needs is laws that will tend to keep outside parties from taking from the State under cover of law what legitimately belongs to the State."

It is impossible to figure how much is taken out of any State. We can arrive at the premiums, losses and taxes, can apply the general average of commission and expense, but a number of items *spent in the State* are not to be arrived at. For example: Adjustment expenses, Special Agents' salaries residing in the State, hotel and traveling expenses, express, telegraph, printing and numerous incidentals. In some States we take out money, and in some we put in money, and none of us know till the end of the year which way the account will be, and the results vary as each State may have a fortunate or unfortunate record; and thus insurance companies perform the functions they are created for, and each State sends or receives its quota to or from the general fund formed for conflagration hazard and reserves for losses and expenses in such States where they may exceed premiums. Thus all States in a series of years (barring large conflagrations) send to the companies their quota out of the State, *not for the companies to*

retain, but for them to distribute to less fortunate States, and no one can tell when the money sent out of any State will not be called for one hundredfold to save some important city in it from bankruptcy.

Now suppose Kansas and all other States at the time of the great fires in Chicago and Boston required this surplus left in their particular States, how would the losses of those cities have been paid, if they ever could have been paid? Under such conditions, we should have seen every company in the hands of a receiver, their assets being melted away and Chicago and Boston remaining idle and helpless.

Fire losses by conflagrations concentrate themselves occasionally: assets must be concentrated to meet them. Could the Nation have expected General Grant to successfully meet the concentrated forces of the South if they (the Nation) had divided his army over every State in the Union? Now, what has become of this money taken from the various States? The figures in a prior part of this paper show that in ten years the sixty largest fire offices have, out of \$924,706,354, only retained an earned profit on the underwriting part of their business of 3.07%, and the only conflagrations have been minor ones, viz.: Seattle and Spokane. The country has been lucky in that respect, so that, with the exception of this 3.07%, the entire amount has been divided up amongst the less fortunate States.

Now, having answered statistically to the indictment of taking money out of the State, let us otherwise analyze the merits of the charge. If Kansas needs a law to prevent an insurance company taking its earnings out of the State, to be consistent it needs a law to prevent a farm laborer taking \$6 out of the State if he only brought \$5 in; and a merchant or manufacturer who brought \$5,000 into the State, who by hard work and good judgment after a business life made \$100,000, and who, on account of bad health, inclination or any cause, wanted to leave the State, should be prevented from taking out of it more than the \$5,000 that he brought in. I think the man who had labor to sell or money to invest would recall the old nursery rhyme: "Will you walk into my parlor? said the spider to the fly."

Mr. McNall says Kansas "raises more wheat, more corn, and more cattle and hogs than any State in the Union." The United States Department of Agriculture says otherwise; however, "let it go at that." But Mr. McNall also says, "what Kansas most needs is laws that will tend to keep outside parties from taking from the State under cover of law what legitimately belongs to the State." Outside parties, viz.: other States in the Union and Europe (probably some of the insurance stockholders who are bleeding Kansas) under cover of the law want to purchase and take out of the State some cattle or hogs, which, in the absence of McNall accusing the owners of theft, must "legitimately belong in the State." Now, Mr. McNall does not want this done; he wants the citizens of his State to hog their own hogs, as well as everything else. What is civilization? A number of men start a colony distant from other people, and their first step is to

build a road to open up communication with their neighbors for the purposes of exchanging what they have for what they have not—and it would seem that Kansas, by exchanging what they have a surplus of, viz: wheat, corn, cattle and hogs, for insurance, which they have not, are only following the path of civilization. Now, if the citizens of Kansas want nothing to go out of the State, the balance of the United States will see that nothing goes in. If McNallism is to prevail, Kansas will build a wall around itself. Why, the abused and despised Chinamen know better than that, for long since they have abandoned the use of the Chinese wall, so far as it served to let nothing out and nothing in.

Mr. McNall refers to California in his report, and the same song about sending money out of the State. I do not hear any complaint from our citizens that California insurance companies are making money in other States and investing it in California. Suppose Kansas starts some insurance companies: if they are good ones and will sell insurance cheap enough they will find other States ready to receive them and let them take their profits and invest them in Kansas. I do not hear, and never have heard, any serious complaint in California about taking money of the State. Californians are not built on narrow lines; they don't want to keep everything at home. They receive millions annually from outside the State for their surplus wheat, wine, fruit, salmon, etc., etc., but as they do not raise enough fire insurance companies in the State they deal with "outside parties," and are a sufficiently live-and-let-live class of people to be glad to see them make money and let them take the profit out of the State for less fortunate States. They even think a company that does not make money is not a good one to insure in. The result of the broader gauge policy is that capital is attracted there and several millions of the assets of insurance companies are invested there, and quite a number of companies own real estate occupied in part by themselves.

In referring to the State of Kansas, I have done so solely for the reason that it has made itself conspicuous with legislation that officers of insurance companies know will prejudicially act on their business and necessarily react to the prejudice of the insuring public in Kansas; and these officers are amongst the most intelligent men in the country and of unimpeachable integrity and honesty of purpose. They know that all legislation tending to increase losses increases taxation, increase cost of doing the business MUST finally come out of the policyholder's pocket, and positively no permanent public good can result from such legislation.

Insurance Commissioner Craig, of Tennessee, speaking on the Valued-Policy law, says: "Summing up on this point, I would say that the Valued-Policy law will be profitable to the man who over-insures, will not hurt the company or agent, and will punish the entire body of insurers by increasing the premium rate, and it certainly seems strange to me to see this last class seeking by legislation to thus punish themselves."

The same remarks apply with equal force to all unfriendly legislation.

Insurance Commissioner Fricke, of Wisconsin, says in his last report: "Forty-nine States and Territories attempt to supervise the great interests of insurance under forty-nine insurance codes, while legislatures seem to vie in increasing taxes and multiplying the laws. *A collection of the freak insurance laws submitted at the sessions of the legislatures throughout the country would make the 'blue laws' appear in comparison as a declaration of human rights.*"

It is refreshing, after considering the hostile attitude of some insurance laws passed in different States of late years, to turn to the Massachusetts Report of 1886 and read what the Insurance Commissioner of that State says regarding the Rights of Corporations: "Watchfulness of corporate power is popular wisdom. Selfishness is prone to unjustly use its power for its gratification. And its power is usually greater in association than in the individual. But corporations are not public enemies. They are potent instruments by which the institutions of a highly civilized State are established and carried on. This is true with emphasis of insurance corporations. Only by corporate association can the public want of insurance be supplied. Individual underwriters cannot do it. It is not a proper function of the State to do it. A wise statesmanship will therefore deal in a friendly spirit with these useful commercial institutions. They are a part of the public, entitled to the protection of just and equal laws. The common welfare cannot be served by injury to them, and our lawmakers are admonished to reflect when they legislate, that the conditions of success are the same with corporations as with individuals, and that freedom of judgment and action in the prosecution of their enterprises is as essential to, and as much the right of, the one as of the other."

EDUCATE THE PUBLIC.

Special Agents, next to Local Agents, have the best opportunities to do this, but they do not do it. If there is anything of an educational character in this paper, use it. I am astonished when I think of the army of men who defend Underwriters' Associations on the only ground that companies must have rates. Those of you who are guilty should turn over a new leaf and *educate your agents always*, and the public when opportunity occurs, that Underwriters' Associations enable companies to make rates on the most economical plan; to make inspections in the larger cities on the most economical plan, and thereby keep losses down; to maintain fire patrols in the larger cities and reduce losses; to encourage and recognize improvements in buildings and appliances tending to reduce the loss ratio; to avoid excessive expenses brought about by unregulated competition; to advise as to building laws, fire departments and water supply, and to encourage them by recognition of their merits in the rates they charge; to avoid at least a part of the injudicious legislation attempted, which must, when enacted, be at the cost of the insuring public.

Almost all of the benefit of keeping losses and expenses at a minimum goes to the public, as shown by the small profit made by the companies. Unless Underwriters' Associations are permitted, losses and expenses must increase at the cost of the public; and without the power of making rates, the companies cannot continue Underwriters' Associations in any great degree of usefulness.

I have shown the companies make a very small profit—5.61%, the extreme limit of the most successful companies; 3.07% for the surviving companies; 68-100ths of 1% for *all companies* in the last six years; and in the last thirty-six years failure for 815 companies with \$191,878,452 capital, of which the larger part was lost. I have tried to demonstrate the Expense Account is reasonable, and that the public get a larger proportion of raw material than in any other commodity they purchase. I have shown the taxes are equal to 85% of the net profit made by the successful companies, which is burdensome when falling on the provident portion of the community, as it does. I have shown that the money taken out of a State is not for *the benefit of the company taking it out*, but for distribution amongst sister States less fortunate. I have shown that the public during 1896 obtained their fire insurance at a reduced cost of \$10,150,121 (equal to 7c per \$100 insured) over what it cost them twenty years ago.

My aim in writing this paper is to enable you, and through you the Local Agent, to assert and prove these statements by facts and figures, provided you are discussing the subject with anyone open to conviction and willing to admit that fire insurance can only be governed by results over large areas, and that companies are only disbursing agents of the many to the few who suffer loss; as to the man who insists each town must stand *exclusively* on its own merits, there is no use discussing with him. The merits of each city and town are recognized according to construction, fire departments, etc., and are benefited in rates on a general plan, and beyond that no company can go with safety. To depend and figure exclusively on local results would be nothing less than gambling, for failure must follow local disaster in such a case; and a company working on such a plan is not fulfilling the functions of a fire insurance company in collecting from the many villages, towns, cities and States, and distributing to the few that meet misfortune. The greater the area of contribution, the greater the security for the insured.

RECOMMENDATIONS.

I venture to recommend to the incoming President and his Executive Committee the securing of a reasonably substantial fund from fire insurance companies for the purposes of a first and second prize for the best essays from any source on the following subjects:

- (a) How can rebating be stopped?
- (b) How can the number of agents be kept at a minimum, having regard to the necessities of the business?

(c) How can Excess Commission Companies be kept out of Agencies representing Associated Companies, or be controlled by them on equal terms?

(d) How can preferred business be retained by Associated Companies at a moderate profit and at a reasonable rate of compensation to agents, bearing in mind that high commissions multiply agencies and encourage rebates?

(e) How can overhead writing be reduced to a minimum and satisfy the requirements of the business?

If this recommendation is carried out, the fact should be widely promulgated amongst all classes of insurance men, and the prizes should be large enough to stimulate the best thought. Necessarily the proper committee would be established to judge the essays on their practical value, instead of Utopian merits, and the money would be well spent as, doubtless, some new ideas will be forthcoming, and its value in concentrating many minds on such important features is worth all the expense to be incurred.

CONCLUSION.

I desire to emphasize the fact that my object in writing this paper was to try to benefit the business of fire insurance, and to educate the younger members of your Association, that they in turn may educate Local Agents and others that Underwriters' Associations are not monopolies, trusts, combines, etc., in any obnoxious sense, that the public are benefited by them, and that they are a great deal more than rate-making organizations. The object in view must be my excuse for the simple, every-day manner in which I have treated the subject. I wished to make it so that the average business man might easily understand that the insuring public are benefited by companies being allowed to coöperate; and if each of you will do your duty, we shall hear less frequently of Anti-Compact legislation.

Finally, I would charge you all, in the conduct of Association affairs, to be guided strictly by the counsel of St. Augustine:

"In essentials, Unity; in non-essentials, Liberty; in all things, Charity."

(Applause.)

The President—

The next paper on our program is entitled "The Local Agent." The young man who has prepared this paper is by faithful and meritorious service fast winning his way to the front.

I take pleasure in introducing Mr. H. R. Loudon, of St. Louis, Mo., State Agent for the Liverpool & London & Globe Insurance Company.

(Applause.)

THE LOCAL AGENT.

Mr. H. R. Loudon—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

While able to gather many facts concerning the early existence of fire insurance companies, I can find no one who has taken sufficient interest in the very early development of the Agency system, to record the trials and tribulations or the success and achievements of the Local Agent.

This may argue that his life was so peaceful and his duties so well performed that, moving quietly and without ostentation, he created not a ripple on the placid waters of the insurance world.

Their lives in the memory of man a tradition that the Agent was once the honored representative of the company in all that the name implies. Clothed with powers given him under instructions, he was authorized to perform any and all acts necessary to the proper conduct of his business.

Recognized by his superiors as the company, he was entrusted with all the details of the business of his agency. This of necessity led to careful selection, careful training and close relations with the company.

The Local Agent of early days resembled in many respects the Special Agent of to-day. Entrusted with the making of rates, he gave close study to the experience of his companies on the various hazards which he was called upon to underwrite. His responsibility for rates necessitated an inspection, and the conscientious Agent devoted himself to a thorough study of the hazards encountered in his community, and I venture to say was more conversant with the merits or demerits of each risk assumed for his companies, by reason of his daily contact with the business, than is the average Special Agent of to-day, after visiting an Agency for the special purpose of inspecting the company's business.

It is not long since the Local Agent of any number of prominent companies, in a city of moderate size, was regarded as a man of high standing in the community. His business brought him in contact with the brightest men in every branch of trade, and in selecting an Agent the companies naturally sought a man of equal rank and ability. Then, too, his agency was of some value and was regarded as equivalent to a life competence for himself and family, and readily salable at a high price.

In what great contrast do we find the position of the Local Agent to-day! Clothed with powers given him under instructions and further stipulated by his commission, but restrained from exercising them except under many modifications which practically render them void; recognized by law as the company, but without voice in either important actions or unimportant details.

He has lost the prestige which formerly belonged to him as the accredited representative of companies of high moral and financial standing, whose operations are paramount in their importance to the commercial world, because those same companies, blinded by greed and seeking to outdo each other in volume rather than in quality of business, have increased the number of representatives in the larger cities until the old agent may now be but one of three or even thirty.

This mad scramble for premiums has degenerated the Local Agent into a mere business-getter and has forced him, in most instances, to neglect all the duties pertaining to his position, until evils have crept into our business which threaten to undermine the entire structure.

It has destroyed all necessity for any ambitious agent to be faithful in the conduct of his business, in order to obtain representation of first-class companies, for these companies are offering their agencies to any or all who are able to control premiums.

Conversely, an Agency of a first-class company is no longer a testimony of standing as it once was, for as the demand for Agents increased it soon exceeded the supply and forced the appointment of men whose only qualification was the ability to get business, and that, often, by questionable practices that are abhorrent to the honorable, well-meaning Agent, who attempts to conduct his business on true business principles. Therefore there is no reward for true service to the business and no influence to counteract the temptation to "work it for all there is in it."

And to this condition may be attributed all or nearly all of the evils which menace our business to-day, and which we are trying to cure by subterfuge and oppression, instead of applying healing remedies to the source of our troubles, by granting Agents autonomy and independence and extending them the courtesies and confidence to which they are justly entitled. Let me impress on you that the selection of irresponsible and ignorant Agents leads to strife between companies and the public. There is a disposition on the part of some companies to reap the benefit of an Agent's acts and avoid their burdens, but so complete is the identification of Agent and company that this cannot be done. No company has the right to select Agents and send them out to solicit patronage and business for its benefit and then saddle their blunders upon its customers.

It may not be out of place to call the attention of the field men present to the important part they play in this "Comedy of Errors." How often have we seen an over-ambitious and misguided Special Agent visit a town for the purpose of planting an agency for his company. Failing to secure representation in established agencies, already over-crowded with companies, he sets out to find a new agent. Up to this point his energy is commendable, but when his search for a reputable man is unsuccessful, as often happens, and rather than be "skunked," or for the purpose of demonstrating his ability, he picks up some disreputable "ne'er do well" and sets him up in competition

with the honorable agents—he creates a condition that may never be overcome. His “find” is a man who has lived on credit for years. It is an easy matter for him to pay off his debts with insurance policies, and soon the other agents are forced to “trade out” their premiums or lose the business. This is the first step, and is soon followed by rebated commissions and shaded rates. The company shortly finds it necessary to despatch the aforesaid Special to collect a balance and close the Agency, but in the meantime harmony and good practice have become things of the past in that particular town. You all know the place.

While many companies seem to think that the Local Agent should be a mere business-getter and automaton—and are apparently well content that he should at last have been forced to occupy his proper sphere—I am pleased to observe that the large majority hold different views and would be glad to recognize in him the most important factor of our business and restore to him the rights and privileges due his ability and responsibilities. Unfortunately they are so badgered in competition by the minority that the Agent will likely be left to work out his own salvation, a feat of which I consider him fully capable, although the skeptical may deride the possibility.

Many of you will remember the able paper read by my fellow townsman, Mr. Geo. D. Markham, before the last meeting of this Association, on the subject, “Can City Local Agents Assist the Companies?” He presented to you, in a clear and forcible manner, substantiated by incontrovertible facts, a history of the good work accomplished by the St. Louis Board of Fire Underwriters—a revelation to those not intimately acquainted with the results brought about by this Board and even to many whose field of work includes St. Louis.

He demonstrated that the Local Agents were capable of raising rates when necessary, and were able to do it in such a manner as to retain the good will and confidence of the community, to such an extent, that when the Anti-Compact law was presented to the Missouri Legislature for passage, the most prominent citizens of St. Louis combined in an appeal to that Honorable Body, praying that an exception be made to the St. Louis Board, on the ground that its rates were *not* excessive and “That the improvements effected in the buildings of our city by its rules and by the inducement of low rates therefor have been numerous and conspicuous”; and so great was the influence exerted by the Agents through these great business houses, that an exception was *so* made, and the St. Louis Board flourishes to-day with no abatement of its good work, but rather achieving greater things in spite of the obstacles thrown in its way by the very companies who derive the greatest benefit from its labors.

In his annual address before the National Board of Fire Underwriters President Clark spoke of the overwhelming and unwarranted destruction of property by fire in the United States, as follows: “The fire waste of this country is enormous and beyond the comprehension

of the average citizen. As to the actual values destroyed there is probably no more accurate guide than the Chronicle Fire tables, which go back to 1875. They also give the estimated insurance loss for each year. Taking the six years since 1890, the total loss has amounted to \$863,679,572, an average of \$143,946,595 per annum, of which insurance companies paid \$538,250,960, an average of \$89,708,493 per annum. Considering this vast drain upon the resources of the country, it would seem to be incomprehensible why measures calculated to diminish the waste have not been more generally considered by Legislatures and more effective ordinances adopted by municipalities to assist in drawing public attention to the subject."

Evidently Mr. Clark did not know that the labors of the St. Louis Board of Fire Underwriters were bearing fruit in the shape of a new building ordinance for the city of St. Louis, which is a notable illustration of reform in city legislation. This new building law covers 161 printed pages, and was not framed by ward bosses, but was drafted by a joint committee of experts, consisting of three members from the Council, three from the House of Delegates and three from the St. Louis Chapter of the American Institute of Architects. After it was drafted, it was submitted to the St. Louis Board of Fire Underwriters and received unqualified approval before it became a law.

Every matter pertaining to the erection of buildings is dealt with in the ordinance, special attention being paid to theaters, large hotels, churches, school-houses and similar buildings, the law providing that *all* such places must be fire-proof.

There is not, to my knowledge, a law in effect in any city of the United States so strict in its attention to detail or so thorough and stringent in its requirements, and I can commend it to every thinking underwriter as an efficient instructor in the modern art of building construction and equipment, and embracing everything of interest from an insurance standpoint.

Apprehending that the enforcement of so rigid a law might not safely be left to one man, the bill creates a Board of Appeals, naming first one surveyor of the St. Louis Board of Fire Underwriters and then one Architect and one Master Builder. The Board is to consider appeals from the decisions of the Building Commissioner, and in all cases their ruling is final.

The high compliment paid by the city government to the Local Board of Fire Underwriters is a well-deserved and fitting recognition of the meritorious work performed by them in the interests of the community, and it is to be hoped will inspire the Local Boards of other cities to praiseworthy effort, having in view the enactment of similar laws, with accruing benefit to the people, themselves and the companies they represent.

It was my privilege some months since to attend a meeting of Local Agents, which, I believe, marks an epoch in the history of fire insurance. I refer to the Second Annual Convention of the National

Association of Local Fire Insurance Agents, held in St. Louis, May 7th and 8th. Much has been said for and against this Association. Many companies and field men have expressed their disapproval in no uncertain terms, while others have been warm in their commendation of the enterprise and have, without hesitation, lent their names and influence to its promotion and enlargement. Others have remained silent, evidently preferring to await the result of time before committing themselves to an opinion of the movement.

The insurance Journals have devoted much space to a discussion of the subject, developing ideas as greatly at variance as those of the Managers and field men.

Some have entered into an earnest consideration of the advantages or disadvantages of such an organization, while others have attempted to depreciate its importance by ridicule and contumely. Many seem to fear that the purpose in view is to create among the Agents a power greater than the companies themselves; that what is now a mere mob with hardly a thought of resistance and easily controlled by their principals, will, when properly organized and disciplined, be able to usurp the managerial functions and present to our astonished gaze a living spectacle of "the tail wagging the dog."

To all minds so filled with doubt, I wish I could impart the impression created upon me by actual contact with the delegates to this convention—men whose faces were stamped with character and intelligence, blended with culture and refinement; whose utterances were the result of mature deliberation, mellowed yet strengthened by conservatism, and unimpeachable, because embodying in every sentiment the loftiest principles of devotion and unselfishness.

Instead of finding fault with the companies it seemed to be the common aim to point out the faults of each other, and suggest remedies for the betterment of the conditions actually existing between themselves.

It was pointed out and freely acknowledged that the primary principle of the Association, and the only one that could insure permanency and success, was absolute faith between members, and the promotion of that good and true fellowship which experience has demonstrated is the most potent power and lasting tie in binding men to a common observance of what is due from one to another.

The power of this Association depends: first, upon its numbers; and second, upon its perfect organization. If the first can be secured I believe the second is insured, because of the ability and determination of its leaders. It is estimated that there are over 65,000 Local Agents in the United States, comprising among the number bankers, lawyers, legislators and congressmen; to say nothing of the vast army in the larger cities, who have devoted their lives to the study of fire underwriting, and whose efforts, if directed in other channels of commercial or professional endeavor, would have secured for them financial and social independence.

Imagine, then, the great moral and political force that will be generated by the concentration of their thought and a combination of their energies. Can it be doubted that through the Local Agent we have presented to us the only apparent means of educating the public to the true character and conditions of our business, thereby preventing further hostile legislation and securing the repeal of those laws already in force, inimical to the companies, and imposing burdens which in the end must be borne by the people themselves? In addition to this, they will be instrumental in securing the passage of laws in all States looking to the protection of their own interests from the raids of certain companies prone to indulge in overhead writing, and from the multitude of irresponsible concerns operating as Lloyds and Mutuels.

Through them, too, we may find relief from the Anti-Compact laws, which prohibit companies from making rates; although our rates are based on what we believe is a fair estimate of profit, computed on combined experience for a long period of years.

As an illustration of this, we have the Anti-Compact law recently passed in Wisconsin, which, while prohibiting the companies from combining to make rates, provides for the organization of Local Boards for that purpose, naming as a condition that the rate schedules must be filed for public inspection so that any citizen may readily ascertain upon what his rate is based and become informed as to what improvements are necessary to reduce the hazard of his business and correspondingly his insurance tax.

This, I believe, is a move in the right direction, for sooner or later we will be forced to acknowledge that our business is one of public concern, and the sooner we do so acknowledge it and take the public into our confidence, the less restraint will be placed upon our operations.

As a sample of literature that might be circulated among Agents with profit, having as a purpose the education of the public, I wish to quote, even at the risk of tiring you with the length of this paper, the words of Mr. Waddill, ex-Superintendent of Insurance in Missouri, upon his retirement from that office:

"The early months of my administration were unfolding revelations of the magnitude, the vastness of the interests involved in what is commonly termed 'Insurance Business.' I am of the opinion that there is no business or science of such large and vital moment to all the people about which so little is known or understood, even by the intelligent and educated. Outside of insurance circles, insurance—as a science or business—is a *terra incognita*. Many business men do not even read their policies; many legislators—intelligent men and informed men in general affairs of life—come to the State Capital to discharge their legislative duties with the idea that an insurance company is simply a corporation, and therefore an enemy to the people to be fought and legislated against. They seem totally oblivious to the fact that hundreds of their constituents are looking to these corporations for indemnity in the case of loss by fire—in fact, are dependent upon them

in such an emergency to replace the shelter and homes for their families; that many of their merchants and business constituents have indemnity on their merchandise and other property in these corporations, and in many cases are saved by them from bankruptcy in the event of fire loss; that hundreds of others of their constituents have their hope and stay in this class of corporations and have made provision in them, as the breadwinners of their families, to feed and clothe and shelter the dear ones after they themselves are dead and gone; and that therefore scores of thousands of the constituents of the State legislators are interested in the solvency and stability of these corporations. Many legislators seem to forget, or do not know, that every unnecessary burden involving the interest of these corporations is a divided burden among their policy-holders in the State; that the hindrances and expenses that they put in the way of insurance companies increase the cost of insurance to their policy-holders.

"These things I call to the attention of men who represent the people of Missouri in the State legislature, in order that they may reflect on this subject of insurance corporations from a different point of view from that which many of them have seemed to act in the past, and that they may look at the other side of the question, which many seem never to have considered. Millions of dollars are paid annually to the citizens of Missouri by the varied and different classes of insurance companies doing business in this State. They pay also in taxes and fees to the State of Missouri fully a quarter of a million of dollars every year. Therefore, while I am as keenly alive as any citizen of the State in requiring of insurance companies that they shall strictly comply with our laws and deal with absolute justice to our citizens, it behooves men who have to do with Legislatures, and make laws, to look deeper into the interest involved and note how closely alive and identified are the interests of these insurance corporations with the interests of our own citizens. The want of thought and investigation along these lines (and I have thrown out these thoughts and suggestions with the hope of inducing investigation) is one of the fruitful sources of the many crude, ill-digested and disaster-threatening measures that are introduced into our Legislatures involving insurance interests."

This statement by Major Waddill, coming as it does from an unprejudiced source, must strongly impress any reader, and result in brushing away the cobwebs that obscure the minds of men, lucid and reasonable in their discussion of ordinary subjects, but who exhibit an inveterate antipathy to insurance corporations whenever mentioned.

If we were talking about any other business and found that the cause could be argued so strongly, would we consider that cause lost? Would we not rather believe that it only needed a hearing to succeed? So can we not credit hostile legislation to the fact that the companies have not enough talkers to whom the public would listen? The present condition of affairs in most of our Western States is due simply to the fact that the companies struggle with a misguided public. Opinion has been fought by a meagre skirmish line composed solely of officers. And yet you would not excuse the General who forgot to order out his solid regiments of privates, even though he was led into this error by the belief that he alone was sufficient.

In closing, I wish to refer briefly to the question of compensation to

Agents, and to advocate a uniform commission. The commission now paid, outside of excepted cities, is 15%, and seems a reasonable figure to adopt for all, because it is the most that any company can pay without making its expense ratio exorbitant; and on the other hand, it seems to be the most the average Agent can receive without being tempted to donate a portion to the assured or some outsider. It has always been beyond my comprehension, and I have yet to meet the person who can satisfactorily explain, why in a small town, where the total premiums are so little that an Agent receiving 50% commission could hardly more than earn a livelihood, we pay but 15%, whereas in large cities with a premium income so great that 10% would render a handsome competence to Agents (provided each company had but one representative) we pay from 20% to 40%.

Certainly it cannot be argued that city business is so much more profitable than that of the smaller towns, for the loss ratios will not bear out the assertion. And if it could be justified on this basis, we would immediately lay ourselves liable to serious reproach, as it would be a palpable offense against our patrons to maintain a rate in the cities so high as to warrant the payment of these excessive commissions.

The high commission is responsible for the rebater and the broker. It has fostered an army of outsiders who dabble in the business to the detriment of the regularly authorized Agent, stealing his profits without in any manner sharing his responsibilities.

As an illustration, a prominent Agency in St. Louis placed with their companies a risk of the preferred class, bearing a premium of \$200. Their *net* commission on this transaction amounted to \$10, while \$50 of the amount went to a real estate agent who was unknown to the company, and who was rewarded for having a "pull" with the property owner, and nothing more. In this instance, had the business been secured direct, 15% would have netted the Agent three times as much as did 30% after paying the middleman. It is a fact that the great body of Local Agents profit nothing by high commissions, and it requires no argument to prove that the companies gain nothing by it. Then why is the evil allowed to exist? It would be the veriest assumption on my part to attempt an answer, for this same question has perplexed the brainiest men in our profession, and every plan of relief has failed ingloriously. But I am of the opinion that a solution of the difficulty will be found.

A return to the single agency system, the abolishing of the high commissions that nourish the brokerage element, and the cessation of overhead writing, will do much to improve the quality of your agents, and will bind them to the companies in a loyal coöperation that will soon affect public opinion. Reverse the process of alienation now apparent in every section of the country; make it once more the Local Agents' profit and pride to truly represent his companies.

Do not let the younger men grow up with the idea that company

and Agent are opposing interests. When our local representatives are once more entrusted with our confidence, admitted to coöperation, and once again are hearty in our defense, then shall hostile legislation disappear.

The President—

The next paper is entitled "The Satellites in the Insurance Business." This paper has been prepared by a man who has occupied the position of President of the Illinois State Board, and is acknowledged one of the most prominent Special Agents in this field.

I take pleasure in introducing to you Mr. R. S. Odell, Special Agent for the Connecticut Fire Insurance Company of Hartford.

(Great applause.)

THE SATELLITES IN THE INSURANCE BUSINESS.

Mr. R. S. Odell—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

It is generally supposed that when a party undertakes to write about the planets he should be an astronomer, and be well posted in the movements and courses of the several planets of which he is to write. Not being a noted astronomer, and possessing no great knowledge in that line, I was considerably surprised when our worthy President asked me to read a paper before the Association and gave me as a subject, "Satellites." I thought at that time he had made a mistake, if not in the subject, at least in the party. And I am inclined to think that the Association will agree with me on that point, if on no other.

I understand the object of having papers read before this Association is to bring out a discussion of the points relative to our business, and thereby gain knowledge by the exchange of ideas. With that understanding, I consented to read a paper on "Satellites in the Insurance Business."

Satellite, as defined by Webster, is "A secondary planet or moon; a small planet revolving around another."

Eighteen satellites have been discovered in the solar system, of which the earth has one, the moon. As we are dealing only with earthly satellites, we will not take the time to mention or describe the other seventeen. While the earth has but one satellite, and seems to be fairly well supplied and able to continue business, the insurance world has many—just how many, at this time I am unable to state, as I have not read the insurance column this morning.

Not being connected with an insurance company, blessed or cursed (as the case may be) with a satellite, I am perhaps unable to judge correctly of the advantages or disadvantages of the system, and I do not expect to be able to settle the matter to the satisfaction of all parties.

I will, however, endeavor to point out some of the strong and weak points as they appear to me.

The insurance business, to be a success, must be conducted upon the strictest principle of honesty and good faith with the public. Anything short of that will, in the end, bring discredit upon the business, and justly so. We would hardly concede the right of two banks starting a third, and advertising the capital and assets of both banks, while in fact it had none, but was only a satellite. Why should two or more insurance companies do so and expect to retain the confidence of the people?

I believe the first satellite discovered in the insurance world was located in New York. Credit of this discovery is given to Astronomer Stoddard, who named the newly discovered planet, "New York Underwriters." This satellite has been continually visible over a large portion of North America, and has added largely to the financial benefit of the discoverer.

The New York satellite was discovered in the year 1864. The discoverer at that time considered that one satellite was enough for four planets, and for ten years that satellite gave light and warmth to the four bodies, and from the fact that at the end of the ten years the joint assets of two of the companies exceeded the joint assets of the original four companies we are led to conclude that this satellite at least was a success. Nevertheless, two of the four companies concluded that they could do better without this secondary planet, and from 1874 to 1884 this satellite shone for two companies only. For the next ten years, from 1884 to 1894, this satellite continued to shine, having lost three of the original companies, but finding a new planet to take the place of the third which had dropped out of its orbit. At the end of this time the last of the companies dropped out of the light of the original satellite. It now shines for one only, and from present indications it shines with increasing brilliancy. So much so, that it is sometimes difficult to distinguish between the satellite and the company.

This is a short history of the discovery and movements of the first Insurance Satellite. The discoverer and the discovered are still with us.

From history we gather that in the earlier days of fire underwriting a number of small companies, endeavoring to transact a General Agency business, felt that they were placed at a serious disadvantage as compared with the larger companies; their assets not permitting them to assume lines large enough to secure a fair average business, and the expense of equipping and maintaining agencies being larger in proportion than those of their competitors whose carrying capacity was much greater.

Commissions to Agents and State taxes were usually fixed at a certain percentage of the premiums, and in these items the ratio of small companies did not differ materially from the large; but fees to State officers, traveling and adjusting expenses and management expenses

were nearly as great for a company doing a \$100,000 business per year as for one doing twice that amount.

This state of affairs suggested to the minds of the officers of these small companies the desirability of a combination to be formed by two or more of them under the management of one man, whereby the share of each risk assumed to be carried by each one was fixed, and the amount of expense to be paid based accordingly, and this arrangement led to the issuance of so-called "Underwriters' policies," by which each company secured the share it would ordinarily carry at a less rate of expense than it could individually, and the combination of assets brought to the Underwriters' Association thus formed a considerable amount of business which would not have been placed with the individual members of the combination, because their assets were not great enough to induce the largest insurers to patronize them.

This was a legitimate arrangement, and in my judgment is the hope of the small companies for the future; but it was never intended by companies forming these associations to also transact business in their own names, their identity being sunk in the names of the underwriters they composed.

Admirable as this arrangement was in theory, history shows us that jealousies were bound to creep in between the companies composing these Underwriters' Associations, and the contracts entered into for a period of years were rarely renewed.

What can we say for the latter days? These new secondary bodies, or satellites, have been discovered in nearly every State, and a new one nearly every week, until it is becoming a question if the satellites will not exceed in number the bodies of the first magnitude.

They have become so numerous and some of them of so small a magnitude that our brethren have been irreverent in speaking of them, calling them Cuckoos, Yellow Kids, Ducklings, etc.

That they are a considerable factor in the insurance business cannot be denied, and what interests us most at the present time is, are they a benefit or a menace to the insurance business?

What has been the result of the introduction of the Underwriters in our business? Has it not been the main cause of the Auxiliary Agent and the system of duplicate, triplicate and multiple agencies throughout the country, with the result of an abnormal competition for business, which has and will continue to bring demoralization, and place the company in a position of bidding against itself for business? I think this was illustrated very forcibly a short time ago in a city where the agent had the misfortune of starting a rate war. The company was represented by one agent, the satellite by another (which is the usual practice). The agent representing the company took up the satellite policy and rewrote it at a reduced rate. The agent representing the satellite took up the company's policy and rewrote at a still reduced rate; this was followed by the company's agent again cutting the rate and holding the risk. The rate at which the original

policy was written was 1%, the Board rate. The rate obtained by the company's agent, and at which he held the risk, was twenty-five cents for five years. It appears to me that any combination where such a state of affairs is possible is a disadvantage to the business and should not exist.

I do not know that I can better illustrate my idea of the Insurance Satellite than to say it is like doubling teams, which, were it to pull one load, might be a success, but that is not the way they double in the underwriting system. Each team, which we will call Capital and Assets, must pull its own load and at the same time the underwriters' cart hooked on behind. To say the least, it is a hard pull for the team, and when the Hill of Liability or the Rocky Road of Low Rates is encountered, the only salvation I see is to hook on the third horse, Re-insurance, if perchance he is not working and can be harnessed; and I want to say in passing, that in my opinion this third horse, Re-insurance, has caused more trouble on the insurance road than any one factor in the business, and I will be glad when, either by law or common courtesy, re-insurance will be a thing of the past, and each company will write only such lines as they will carry, and when it can be said of each company, Sufficient unto the line is the Capital thereof, then there will be enough for all, including the satellite.

The inconsistency of the underwriters' system, to my mind, is the inability of putting one and one together and making three. We cannot conceive of two merchants putting their stocks together and advertising three stocks, sending out three sets of traveling men, having three managers, three offices, and each trying to get the best of the other and competing against themselves and the other houses selling the same goods. Is this overdrawn? I think not. We can see how two merchants might combine and have one stock, one building, one manager and one set of traveling men, and thereby save expense.

It is claimed that the combining or pooling of interests cheapens the article to the public, as in the case of department stores, where all kinds of commodities are sold under one management. But we have yet to hear of any class of business combining and yet continue each separately to do business at the old stand, and continue to advertise each separate interest.

This is the unique situation of two or more insurance companies that continue to do business as before, advertising the capital and assets of each, and yet advertising the combined capital and assets as belonging to the satellite when at best it can be but the reflected light and strength of the company composing it, the same as the satellite in our solar system. Yet the Sunlight Insurance Company and the Moonlight Insurance Company combine and call the combination the Gaslight Underwriters, and advertise all the Sunlight and all the Moonlight as Gaslight capital, and the dual agent is appointed to sell Gas, just Gas, and they sell it.

It appears to me that this way of conducting the business might

correspond in some points with watered stock where the stockholder expects an increased dividend without investing more capital.

If a corporation capitalized at one million dollars can transact an annual business of two million in its own name, and one or two million dollars in the name of some "underwriters," there is no logical reason why it could not go on each year launching a new company with no capital or assets, or in fact anything tangible to trade upon except the name and good will of the parent organization; and the *reductio ad absurdum* is shown in the recent performance of a small New England company, with a published surplus of \$30,000, announcing that it had formed an Underwriters' Association as an annex, and proposed to guarantee its policies!

If the satellites are a good thing for the insurance business, we want more of them. It seems so easy that all companies can have one or more of them by adding a little more to the printing bills, as the printed matter seems to be the larger part of the satellite's capital, with no assets, except perhaps the Manager's chair and desk.

In later days the desire of some of the companies to outstrip their competitors in the amount of premium income led to the formation of so-called "Underwriters' Associations" and "Alliances," which, in most cases, contribute not a dollar additional capital to the business, but serve as a pretext for securing more premiums, usually by planting other agents in the towns already occupied by the company or companies comprising these underwriters, thus in effect giving double representation to companies heretofore satisfied with a single agency.

Thus far I have endeavored to show the disadvantage of the satellite in the insurance business and of the seeming inconsistencies in the general plan of organizing them. I have sought help of several of my friends, and wish to give them full credit for the help rendered.

In pointing out the benefit of the system I have derived my information from those directly connected with the satellite and its workings. One of the friends, to whom I submitted the proposition, stated, after due consideration, that he could not see any advantage whatever, with the exception that it gave him a situation at a good salary. Another said: "It gave the boys a chance to become Managers and practice up for better things," meaning, I suppose, Manager of some company.

It was also stated that in times when capital seemed to be scarce, or timid, which amounts to the same thing, that by the formation of underwriters there can be a large amount of business done without the necessity of increased capital, as would be necessary in the formation of a new company, yet giving the public the benefit of increased competition, and leave more capital for other branches of business, with the effect that the general business is increased by the use of the capital that might otherwise have been put in the insurance business, making more insurance to be written, more premiums to be

received, and thereby cause a general benefit to the whole insurance fraternity.

From the expense standpoint, which at the present time is one, if not the main, thing to be considered in our business, for the reason that the Managers cannot control the loss ratio, but they can control the expense ratio to some extent. One or two per cent. saved or lost in the expense ratio may mean a profit or loss in the underwriting business for the company. Therefore, I say the expense item is one of the main points to be considered in our business.

It is claimed, and I think justly so, that the increased expense in conducting an Underwriters' Agency is not in proportion to the increased premium receipts, for in many cases, and it might be in all, the same Manager, same office force and same Special Agent force conduct the business of our satellite that conduct the business of our company, thereby showing a much reduced expense ratio, which is a direct benefit to the stockholder, and will in a short time benefit the *public* by reducing the rates to be paid for protection. It may be some of you are thinking of the remark made by a noted railroad president in New York, relative to the public, but insurance men do not agree with his remark.

Some of you may wonder how the satellite can be a benefit to the insurance business if the final result is the reduction of rates. You might make that a point for discussion. I shall not undertake to decide it.

It is claimed that from the fact the underwriters are placed in separate agencies, the business written in no way weakens the paying ability of the parent company, as the business written comes under the law of general average, and the premiums received will pay the losses incurred and leave a profit, whatever it may be, to swell the assets and surplus of the parent company, and thereby make the policy of both company and stallite stronger. This might be another point for discussion, especially when applied to the congested districts of our large cities, where, I am informed, the satellite shines with increasing luster.

This matter of forming these satellites is in its infancy and, in my opinion, should be checked there. Competition between agency companies already well established in the field is strong, and there must be met the strenuous efforts of the continually increasing number of foreign companies new to this field.

As a temporary make-shift to provide against a diminished premium income, these arrangements might be approved on the score of expediency; but what has secured this advantage for the large companies will be, and is even now, eagerly jumped at by the smaller ones, and if their number grows as rapidly as it has during the last year, in a few years it will be necessary to publish a list of all companies, showing the capital, assets and surplus of the parent organization, and then give the names of the satellites it is interested in, with

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the amount of business written, and the unearned premium liability upon the same, for the information of the public.

These organizations tend to lead the companies away from sound principles, and if persisted in will prove disastrous to most of those interested.

A Member—

If there is no further business, I move we adjourn.

Motion seconded and carried unanimously, and the meeting stood adjourned to 2:30 P. M.

AFTERNOON SESSION.

THURSDAY, September 30, 1897.

2:30 o'clock P. M.

The meeting was called to order by the President occupying the chair.

The President—

Having a few more applicants for membership, the Secretary will read the names.

(The Secretary reads names.)

The President—

You have heard the names. What is your pleasure, gentlemen?

A Member—

I move that the gentlemen whose names have been read be declared elected members of this Association.

Motion seconded and carried unanimously, and the applicants declared elected.

The President—

The first thing on our program this afternoon is "A Practical Illustration of the Use of Acetylene Gas," by Mr. A. H. Mulliken, of Chicago, President of the Illinois Acetylene Company. I received a letter dated September 23, from Mr. Mulliken, as follows:

The Homestead and Virginia Hotels and Cottages.

Hot Springs, Va., September 23, 1897.

Geo. H. Moore, Esq., President Fire Underwriters' Association of the Northwest, 1106 Home Insurance Building, Chicago, Ill.

Dear Sir: I regret to advise you that I shall be absolutely unable to read the paper that I have prepared, at the meeting of your Association on September 30th. I have, however, prepared the paper, and

at my request Mr. W. J. Buckley will read it for me. Mr. Buckley is associated with us in the Acetylene business, and understands it. I have also arranged for the Superintendent of our works, Mr. Strom, to be present, with samples of the generators, which he will show to the Association, and demonstrate by actual use the advantage of this particular apparatus. My personal experience with insurance men in connection with acetylene has been so exceedingly pleasant that I assure you this is a great personal disappointment. I feel, however, that Mr. Buckley will do the subject justice, and the loss will not be in any way felt by you and your associates. With kind regards, I am,

Yours very truly,

A. H. MULLIKEN.

I take pleasure now in introducing Mr. Buckley, who is Mr. Mulliken's right-hand bower in this business. He, I think, will fulfill the duties assigned to Mr. Mulliken to your satisfaction.

Mr. W. J. Buckley—

Mr. President, Ladies and Gentlemen: Mr. Mulliken took a little too hazardous a risk on his life, and is now down in Virginia paying the premium. The paper is a very short one, which will no doubt please you.

A PRACTICAL ILLUSTRATION OF THE USE OF ACETYLENE.

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

The practical use of acetylene was made possible by an accident. A few years ago, at the Willson Aluminum Works, situated in the little town of Spray, N. C., a chemist named Thos. L. Willson was one day experimenting with a mixture of lime and coke in an electric furnace. The result of one of these experiments was a substance resembling "slag," which was accidentally thrown into a pail of water. The moment it struck the water it produced an odor which Mr. Willson recognized as that of acetylene, and he realized that he had manufactured carbide of calcium. He took a sample of the carbide to New York, and finally secured the assistance of gas men, and capitalists, to place this discovery on the market.

About two years ago two well-known gas engineers, who had spent all their lives in the production and improvement of illuminating gas, called at my office. They introduced themselves, and said they wanted to see what kind of a light was made from acetylene gas. I showed them carbide, the manner in which the gas was produced, and the light. They stated that they had of course heard of acetylene, but had never seen the light before, and did not suppose it could be produced commercially. After admiring it as a light, and comparing it with that produced from other illuminating gases, one of them turned to the other and said: "John, you and I have spent thirty years mak-

ing a damned poor light, and now a man falls into a pail of water and beats us both."

Acetylene is a pure hydro-carbon gas, chemically known as $C^2 H^2$. It is clear, colorless, lighter than air, and has a specific gravity of 0.91. It contains 92.3 parts carbon and 7.7 parts hydrogen. It has a strong odor, like garlic, except when burning. It has no effect upon iron, steel or brass. It is a chemical union, and when produced is always the same. It is always to be depended upon, and is as reliable as the law of gravitation.

Pure acetylene will not explode. It is only explosive, like ordinary city gas, when mixed with air in a room, IF LIGHTED; but as acetylene burners are never more than one-fifth the size of other gas burners, it will take five times as long for acetylene to escape if a burner is left open; and therefore it is only one-fifth as dangerous as city gas. To quote from Prof. John H. Long: "Acetylene is an exceedingly stable substance, and not at all prone to spontaneous decomposition, such as occurs in nitro-glycerine and some kinds of gun cotton, for instance. The gas itself is as stable and safe to handle as common illuminating gas. To cause an explosion with it, the presence of air or oxygen is necessary."

Acetylene will not explode in the same manner as gasoline or kerosene. Not being a liquid, it is less liable to the accidents which daily occur with these two illuminants.

After most careful experiments, it has been found that acetylene is not poisonous, and does not change the character of the blood, like ordinary gas. Although it is evidently not made to breathe, yet it is a fact that all of the men employed at our Appleton Carbide plant, who had chronic catarrh, have been entirely cured; and, as stated by some of our most enthusiastic agents, the medical rights are free to every purchaser of carbide.

Acetylene will burn (this is a point on which insurance men are all interested), but it will only burn under certain conditions, and these conditions, at the present time, are such that I do not know of a single loss having been paid on a fire caused by the use of acetylene AS AN ILLUMINANT.

From an insurance standpoint, acetylene reduces the fire risk wherever it replaces oil lamps and gas machines.

Acetylene is produced by the action of water upon carbide of calcium. Calcium carbide has the chemical formula $Ca C^2$; and contains, in 100 parts, 62.5 parts calcium and 37.5 parts carbon.

The oxygen of the water combines with the calcium of the calcic carbide, forming oxide of calcium; the hydrogen of the water unites with the carbon, producing acetylene.

Calcium carbide is manufactured from ground lime and coke, in an electric furnace. One pound of good commercial carbide contains 5 cubic feet of acetylene gas. About twenty tons of calcium carbide are now being manufactured every twenty-four hours in the United States,

which will produce 200,000 cubic feet of acetylene, equal, theoretically, in illuminating power to 6,000,000 cubic feet of ordinary city gas; and, in actual use, to about one-half that amount.

When we consider all the stir that has been made by acetylene this may appear a small result, but progress is only measured by looking backward. A few in this room can probably remember when "tallow dips" were used for light. Then came whale oil; then camphene, known as "burning fluid"; and when illuminating gas was first introduced it was considered more dangerous and more explosive than gunpowder.

On March 23, 1833, the following "Remonstrance against lighting with gas" was presented to the Common Council of the city of Philadelphia:

"The subscribers beg leave respectfully to remonstrate against the plan now in agitation for lighting the city with gas, as they consider it a most inexpedient, offensive, and dangerous mode of lighting. In saying this, they are fully sustained by the accounts of explosions, loss of life, and great destruction of property, where this mode of lighting has been adopted.

"We consider gas to be an article as ignitable as gunpowder, and nearly as fatal in its effects. As regards the immense destruction of property, we believe the vast number of fires in New York and other cities may be, in a great measure, ascribed to this mode of lighting; the leakage of pipes and carelessness of stopping off the gas, furnish almost daily instances of its destructive effects.

"And when we consider that this powerful and destructive agent must necessarily be often left to the care of youth, domestics, and careless people, we only wonder that the consequences have not been more appalling. It is also an uncertain light, sometimes suddenly disappearing and leaving streets and houses in total darkness.

"In conclusion, we earnestly solicit that the lighting of our city with oil may continue.

"And your petitioners, etc., etc., etc."

One of the signers of this petition was Geo. C. Cresson, who afterwards, for many years, was Chief Engineer and Superintendent of the Philadelphia Gas Works.

The United States *Gazette*, of Philadelphia, which published the petition, was the first to acknowledge its mistake, and its building was the first to be lighted with the new gas, its editor congratulating his readers on the fact that they only paid \$3.50 per thousand cubic feet of gas, whereas \$7.50 was paid in New York.

That was sixty-four years ago, and acetylene is scarcely three years old.

Improvements are still being made in the ordinary illuminating gas, and in the manner of its use; for instance, the Welsbach burner.

When kerosene supplanted burning fluid, it smoked and smelled and exploded; in fact, its habit of exploding became so fixed that some of the States passed laws, not only prohibiting its use, but tried by statute to prevent its transportation through their respective States.

The kerosene habit of explosion and fire has not been broken, as the gentlemen present will testify, and yet we all use kerosene lamps.

Chicago in 1871 had an example of what the combination of a cow and a kerosene lamp will do.

The next illuminant was gasoline, which has always been unsatisfactory and always dangerous, and which has proved itself to be so objectionable that it is used less every year.

I believe that acetylene will take the place of kerosene and gasoline, but it will not drive out all other forms of illumination, as is sometimes claimed for it. It has its place, and will find it, and will do its share in lighting the world.

The electric light, when it first flickered into existence, was considered at least an improbability, if not an impossibility.

It is said that Thos. A. Edison used to walk up and down every night in front of the first house he lighted with electricity until the lights were extinguished, for fear that the house would burn down. And I am sure that any insurance man present, if his own house were wired and lighted by electricity in the same way as that first building, he would be a good deal more scared than was Edison.

When the incandescent lamp appeared it was condemned as impracticable. It is now used almost everywhere, and there is hardly a town in the United States but that has its electric light plant.

We have become so accustomed to the convenience of the present illuminating methods that we forget the difficulties encountered by those who made them a success.

Ask any man who has been connected with the manufacture and introduction of illuminating gases, if it was an easy thing to do, and he will assure you that he never would go through it again.

All honor to the men who, by the most arduous work of mind and body, have made the "gunpowder of 1833" an agent of peace and comfort, and which now silently enters our homes, bringing with it the glow of cheerfulness and warmth, lighting our surroundings and enlightening our minds.

We also forget the trouble endured by the users of these illuminants when they were new.

Tallow dips, whale oil and camphene not only gave a very poor light, but they all smoked, and all smelled badly, and the last two were the cause of numerous explosions and fires.

Rosin gas, coal gas and water gas created new trials for the user, and at first combined all the disadvantages of the previous illuminants, and, in addition, many special tribulations peculiar to themselves.

Every known form of illuminating gas, when it was first introduced, smoked, and it seemed impossible to get a burner with which it could be used, and give satisfaction to the consumer.

When water gas was new it, in addition to doing all the bad things that previous gases had done, filled the pipes with deposits, which often had to be removed, and always with great difficulty and expense.

Acetylene, compared to the slow growth of the ordinary illuminating gas and electricity, has really made rapid progress.

Acetylene light is the most beautiful light in the world, excepting only sunlight. It has been rightly called "artificial sunlight." The light is pure white; it burns with a steady flame, more brilliant than ordinary gas or electric light; its rays diffuse to a greater extent than that of any other known illuminant; all colors are easily distinguished by its light; and its effect in the room is very much like that of the sun. At the present time it is used principally for isolated lighting; and largely in towns and villages that are not supplied with either ordinary gas or electric light.

Carbide is placed in a generator which automatically furnishes acetylene, when the gas is lighted at one or more burners.

For the protection of the public, the insurance companies, and the business, the design and construction of the generator, as well as the materials of which it is made, are of the greatest importance.

Two years ago there was not a single generator on the market, and three years ago no one knew anything about acetylene generators. What we know to-day is from practical experience, and from an expenditure of money and time. There was, and is, no school in which to study the science of acetylene. It has been impossible to find a professor of facts in regard to carbide. It is a new thing, and like most new things, it has been injured by irresponsible men who would say anything to make money, and without any regard for the future, here or hereafter.

Their only hope, their only fear for the present world, and the world to come, is selling rights, and a chance to run.

The standing of men in all established lines of business is always considered, but it is a curious fact that in *new* enterprises, where the field is untrodden, we are one and all as green as grass, and while admiring the new sensation, forget to inquire about the character or previous history of the exhibitor.

Acetylene, however, as a business, is being established, and in a business way. The tin-can generator man has nearly passed. The inhabitants of the city, as well as the country, have made his acquaintance, and are now convinced that it was the "feller" who "stuck them," and not the light. I regret that this education of the masses attends almost every new thing, but as shown in this business, it appears inevitable.

The "Eagle" Automatic Acetylene Generator, which has been most carefully examined and approved for use *inside* of buildings by the Chicago Underwriters' Association, and by the Governing Committee of the Western Union of Fire Underwriters, will be shown in a few moments, and its working explained and demonstrated by actual use.

As far as I know, this is one of the best generators on the market, if not the best.

Acetylene has not yet been used through mains in lighting large

towns or cities. As far as I know, there is no reason why it cannot be used in this manner, and I understand that this will be attempted within the next six months.

At the present time it is the country, and not the city, which is using acetylene. The farmer, in this "dawn of prosperity," is not only enjoying "dollar wheat," but also the best light in the world. To-night, in the State of Illinois, more than two hundred farm houses will be lighted by acetylene; and as the wheat of the farm finds its way into all the homes of the country and becomes the "staff of life," so, I believe, will the light from acetylene, starting on the farm, pervade all of our towns and cities, and its brilliance be enjoyed by every one, and become the "staff of light."

The history of artificial light shows that it has never been produced without trouble, expense and delay. Acetylene is no exception to this rule. The law of progress is still in force, and rules the universe to-day as when the Divine command went forth, "Let there be light."

(Applause.)

Mr. W. S. Abbott—

Mr. President, I would like to ask the gentleman if the Acetylene Companies have given up the idea of liquefying acetylene?

Mr. Buckley—

Yes, the Acetylene Companies, about three months after they made the discovery of producing acetylene commercially from calcium carbide went into a series of experiments on the line of condensing the gas so as to make it portable. They found that under 600 pounds pressure the gas would liquefy to perhaps one four-hundredth part of its former capacity, and being placed in steel drums of any size could be carried around the country like kerosene. This putting or condensing the gas in this form and distributing it around in ignorant hands was the cause of quite a number of accidents. These accidents are due to two causes: First, the release of this 600 pounds pressure would at once gasify the liquid, and the acetylene would be given out in its original form. Now, if that was done too quickly, too much of this gas is formed at once, and something would have to give way.

Again: An increase of the temperature would increase this pressure in proportion to the temperature; in other words, 600 pounds pressure at 85 degrees temperature. When the temperature reached 120 degrees this pressure would reach something like 30,000 pounds. There is hardly anything that would hold that, and the result would be it would create the most violent form of explosion and do great damage. I think altogether there were seven people killed, including two professors, who should have known better. They were preparing an exhibit for the German Emperor William at Berlin. It seemed that in the morning, in arranging this exhibit, to make sure it was all

right, they inadvertently opened the stopcock in one drum. It became heated beyond the safety limit and the thing blew up and killed them both, and scared the German Emperor out of his boots. Since that time they have never attempted to carry out the business on those lines. In this generator the pressure equals a two-inch water-column pressure, or about two ounces, and never goes beyond that.

Mr. Seelye—

Is there any scaling that forms on the burner?

Mr. Buckley—

Yes; in the event of any generator being forced beyond its capacity there is a certain amount of dried lime that is forced through the condenser, not having had time to be condensed and eliminated from the gas, and that will form a scale on the tip of the burner, which will reduce its candle power and eventually make it smoke and prevent its burning. The way to avoid that is not to force the generator beyond its capacity.

There is another cause that will produce that result, and that is a bad burner. Most burners that have heretofore been made have not been equipped with devices for introducing sufficient air, and in that case the combustion is unstable and would form scale, but we have learned how to make burners now that will not scale in the least.

Mr. Abbott—

I have been asked, what is the fire hazard in factories making carbide?

Mr. Buckley—

Well, I can only say the degree of heat required to make carbide is something over 6,000 degrees, and an electrical furnace is about the only available method we have for obtaining that amount of heat for a given space. Our furnaces are therefore made of carbon and fire brick, and the floor should be laid with brick. In fact, a carbide-house is just like a steel-mill factory, built entirely of iron and brick, or it should be.

Mr. H. C. Eddy—

This subject of acetylene gas is one of much importance and of great interest, as being a new hazard with which underwriters come in contact, and the gentleman who has been kind enough to address us upon the subject as a substitute for Mr. Mulliken, and who has already enlightened this Association on this topic, must not feel abashed if he is bombarded with questions. I believe Mr. Mulliken's statement that the gentleman is as thoroughly posted upon this subject as he is himself, and is prepared to answer such questions as are sure to be asked, if we are allowed time enough to discuss this important subject. I have one question I would like to ask, whether the company with

which Mr. Mulliken is connected is actively engaged in the manufacture of pure carbide?

Mr. Buckley: Yes, sir.

Mr. Eddy—

Will you tell me where they make it?

Mr. Buckley—

At Appleton, Wisconsin.

Mr. Eddy—

Do they make it on a revolving plate?

Mr. Buckley—

Well, practically; instead of having a revolving plate we make a wheel of it and invert it.

Q. A cast iron wheel?

A. A cast iron wheel.

Q. This differs materially from the method in which it is made at Niagara Falls?

A. Yes, sir, altogether.

Q. Can you tell me whether your product is uniform under this new method?

A. The uniformity of the product depends primarily on the perfection of your material and the proportions of the mix. We find that the various furnaces do not differ very much in the quality of their product, provided they are given the same raw material and the same proportions of mix to work from. We find that the question of quality, that is, the number of feet per pound of carbide, is really governed by the perfection of the mix of the raw material; that is to say, the percentage, the exact percentage of lime and coke and the quality of the two being absolutely correct, you will then get perfect carbide which theoretically is 5 6/10 feet to the pound.

Mr. Eddy—

Has your company had experience in the system of operation used at Niagara Falls?

Mr. Buckley: Yes, sir.

Q. Can you tell me whether the product from that system of making is uniform?

A. No, sir, it has proved to be anything but that.

Q. Can you tell me why it is not uniform; the ingredients all passing into the same furnace, why should the product not be uniform?

A. Because the raw materials, coming from the same mines, differ in the percentage of impurities. Their lime coming from the same beds will differ in the amount of magnesia, which is absolutely detrimental to good quality of acetylene gas. Carbon is much easier to

procure, and the impurities do not govern the quality of carbide further than the presence of sulphur or some other disagreeable smelling property in the mix.

Q. I have been told that possibly one cause was that the mix did not receive the same contact with the electrical current. Is there anything in that?

A. Yes, sir; but there is still another reason. They employ a current which comes from the power-house of the Niagara Cataract Company, who own the water supply of Niagara Falls, and they have used a system of electrical apparatus of alternating current, which gives what we call 30 cycles per second, and which means a given number of impulses per second. Those impulses we find are too slow to produce good carbide. In other words, you should have 90 cycles per second to make good carbide. You ought to have a current which gives 90 cycles per second.

Mr. Eddy—

I do not wish to monopolize the time on this subject, but there is one other question I wish to ask. In the acetylene, as we see it when the light is turned down and a light of corresponding size and illuminating power of city gas, side by side, why is it that a current of air will blow out the acetylene and will not affect the ordinary gas?

Mr. Buckley—

That is because the volume of gas is very small in comparison with the candle power. For instance, this one consumes one foot an hour, and the volume being so small is much more liable to disarrangement from any outside disturbance when turned down. In that very fact, answering your first question, lies the reason why acetylene is less dangerous than any other form of gas. For instance, you take a room ten feet square and say ten feet high. There will be 1,000 cubic feet of air in that room. Now, if you will close the doors and windows tightly so that no air comes in or out, you can take a generator of this size holding five pounds of carbide and you can set it going and open up all the burners and go away. Now, that will give out in the room twenty-five cubic feet of acetylene. Therefore you see the percentage of acetylene to the air in that room is as 1,000 to 25, or a 2/12 mixture of acetylene. Now, it requires at least 8% mixture of acetylene before you can reach an explosive point, and when it gets beyond 20% mixture of acetylene it ceases to be explosive. At one point between these two figures acetylene will explode, and it depends upon the moisture in the air at what point that is, so that with this size generator with ten pounds of carbide, which lights an ordinary twelve or fourteen room house, the entire contents could be opened into one room thoroughly sealed and it would be impossible to produce an explosion when entering the room when all the volume of gas that could be produced has been diffused in the air in that room.

Mr. H. C. Eddy—

Mr. President, I would like to call your attention to a few points that have come under my own observation: Many of us who had the pleasure of hearing Mr. Mulliken some months ago remember that he gave it as his opinion that after spending years or many months, at least, in this business that no apparatus had as yet been discovered which could be pronounced safe for the use of gas, even as we see it here produced directly from carbon. The fact that the carbide as made to-day may be or may not be a perfect product renders it impossible, it would seem to me, to calculate the quantity to be used in one of these generators at any one loading, because a good part of the carbide put into it is refuse, as we understand it. Part of it is good and has illuminating qualities. It seems that with carbide of this kind, therefore, until they find some method of making carbide from original products by which the carbide is perfect and uniform, the capacity of a generator can not be properly measured.

The other point I wish to call your attention to is the danger that might ensue from the blowing out by a sudden gust of wind of the lighted jets in unoccupied rooms. We have been so long accustomed to the use of ordinary city gas that we can measure that and regulate the distance of the curtains from the gas jets, and regulate the opening or the closing of our windows so that the gas jet which we turned down does not blow out when we leave the room temporarily; and even if it is blown out, it has not so far created much danger. But this is a gas that even the opening or closing of a door, keeping the windows closed, may blow out the jets, leaving a room closely barred with the windows and doors shut, the gas escapes. This is a possibility that I feel exists with this gas, as it is now prepared. I think that we, as underwriters, ought to study this problem as thoroughly and as carefully as possible before we give out any permits for the use of generators which are going to be carried right into the house. In our talk with Mr. Mulliken and his partner we assured those gentlemen that we are not opposed, as underwriters, to the introduction of this new illuminant, provided it can be done on safe lines; and we are willing, as we have expressed to these gentlemen, to join them in investigating any apparatus which they may prepare. We do not, as underwriters, propose to prepare apparatus for the use of this acetylene, but if they will prepare the apparatus and recommend it, we will be prepared to give it an investigation and the benefit of our best judgment and encouragement. So far, however, I understand there is but one generator—possibly this is it—which is made on the North Side. I was assured by Mr. Mulliken that this generator, when they perfected it, would be brought to our attention so that we could investigate it and pass upon it. I have not yet heard of anybody being invited to pass judgment upon it in view of recommending the issue of permits for its use.

Mr. Buckley—

I would like to answer that this is the generator here on exhibition that was referred to by Mr. Mulliken.

I wish also to say that we were compelled to build our carbide plant in Wisconsin, simply because we could not obtain carbide that was absolutely uniform. We do make absolutely uniform carbide at Appleton. It is known all over the United States as Appleton carbide, and is used by all our colleges in their experimental work and in demonstrating.

The generator that Mr. Mulliken referred to as to be perfected as soon as he could get at it, is the generator we now have. It is only about four months old. We have sold in the neighborhood of 1,000, and have found that they do work perfectly, so that we have an absolutely safe generator for anybody to handle. Regarding the risk, which perhaps is of more importance to you people as insurance people: As to the danger of having a burner blow out from any cause whatever, there is no danger from a fire risk, because the volume of gas is so small that it could run there for three or four days without getting enough cubic feet of mixture in that room to cause an explosion, or even to permit an explosion. But the gentleman rather overrates the liability of the acetylene burner to blow out. It is about three-fourths as strong as an ordinary 6-foot burner. It will stand three-fourths as much as an ordinary 6-foot burner will stand, and stay lighted under almost identical circumstances.

Mr. J. M. Neuberger—

This gentleman spoke, I believe, of this machine or generator being in use in some two hundred farm-houses, to be lighted to-night. Taking that into account, in connection with the liability of the flame being blown out by a small current of air which would permit the gas to escape into a room, if that is a fact, and he says that it might escape there a long time and not cause an explosion, I would like to know the effect to be produced in a room in which this gas had escaped quite a while, if a person were suddenly to enter it with an open light?

Mr. Buckley—

There is no generator that we build that would possibly put gas enough into a room that was, say twelve feet square and ten feet high, that could possibly force enough gas through three 1-foot burners in a week that would cause an explosion.

Mr. Neuberger—

I am talking of going into such a room where the gas had been confined with an open light. I am asking for the effect of it. Would it set the room afire?

Mr. Buckley—

No, sir, not until there is too much gas in proportion to the volume of air to catch afire.

Q. It will not burn?

A. It will not even burn. It begins to burn after there are twenty parts of acetylene to eighty parts of air.

Q. Would you be likely to have an explosion at the top of the room where the mixture was complete for explosion and none at the floor?

A. We would, perhaps, if you gave a month of time for the gas to collect on the top, but the difference in the specific gravity of air and gas is so slight, that would not happen except in a very long time, and provided also that the room was air-tight.

Q. I would like to ask if the odor of acetylene is not stronger than that of ordinary gas?

A. Yes, ten times as strong.

Q. Then you would notice it quicker?

A. Yes, sir.

Mr. F. O. Affeld—

I would like to ask if it is anywhere near as dangerous as gasoline?

Mr. Buckley—

No, sir, its explosive point is away above.

Q. Now, underwriters are likely to be called upon to issue permits for acetylene generators. We know we have given permits for gasoline all over the country, and that we have had about fifteen gasoline fires in about three months at least. I think it now behooves the underwriters to take hold of this acetylene subject and treat it liberally. I would like to ask if we can get calcium carbide here in Cook County in any quantity, and can we get it from the Appleton Company?

A. By courtesy of the Chicago Gas Trust, you can; yes, sir.

Mr. Affeld—

That is the point I wanted to make. The gentlemen will see readily where the opposition comes.

(Applause.)

The President—

The next thing on the program, I am sorry to say, is the reports of committees on deceased members.

Is the Committee on the Death of Mr. C. C. Hine ready to report?

Mr. I. W. Holman—

Mr. President, it has been suggested that the reading of this paper be omitted, and that it be published with the proceedings. I will say, if it is the wish of the meeting, it is entirely satisfactory to me and the committee.

The President—

What is the pleasure of the meeting?

(Calls for the paper.)

REPORT OF COMMITTEE UPON THE DEATH OF MR. CHAS. C. HINE.

MR. PRESIDENT AND GENTLEMEN:

There are many names that are remembered in our minds; there are but few that are treasured in our hearts.

The eloquent voice of Charles C. Hine, always full of wisdom, ever dropping words of sweetness, and often charged with a mellow sadness, is painfully missed at this meeting of our Association. With moistened eyes and bleeding hearts we realize that we are never again, in this world, to receive from his lips and pen the friendly messages of encouragement which so often inspired us to the performance of faithful duty, cheerful study and honest work. This sincere friend, who never sapped our enthusiasm; this consistent Christian gentleman, whose best strength of mind and body went to his heart; this magnetic orator, this charming writer, this untiring student, has passed on to the other life. We know that he does not participate in our proceedings to-day, but who dares to say that, from beyond the purple and the gold, his keen eye is not watching us, and that his old-time smile does not beam from his pale, thoughtful, scholarly, beautiful face, as we have so often seen it do at these meetings? Such a man as he was, with the work he did, and the example he gave, needs no eulogy. Let us then try to tell, in plain and simple language, the story of his life, which was like a beautiful road, strewn on either side with flowers and fruits, with birds and butterflies: a life that was made a satisfaction by its very earnestness, for he was essentially an educator, and the lesson he taught, both by precept and example, was *integrity*.

In imitation of the Grecian women, who counted their age from their marriage, let us pass over the first twelve years of Mr. Hine's life and begin sixty years ago when he was graduated at the little brown school house in Monroe county, New York, and removed to Massillon, Ohio, where he grew to manhood and cast his first vote. He began his career a poor boy. No special sun, nor moon, nor star lighted his pathway. It was the beginning of a new era in the history of this country. In the East Mary Lyon had established the first college for the education of women. In the West were founded at that time Oberlin College, the University of Michigan, and a score of other institutions of learning, boundless and measureless in their power for good. All along the lines of civilization, in commerce, in literature, in art, in science, in statesmanship, in philanthropy, in religion, a great deal was to be accomplished during the next three decades. The

1774



C. C. HINE.

EDITOR "MONITOR."

In Memoriam.

1897.

Charles C. Hine,

NEWARK, N. J.

Editor of the Insurance Monthly.

Died April 17, 1897,

AGED 72 YEARS.



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Died April 17, 1897,

AGED 72 YEARS.

boy Hine was a close observer of all this. He believed in good men and good women, in nature, in books, in action; he believed in Americanism; he believed in his mother; he believed in love; he believed in purity, and his mission in life was as clearly defined as was that of a Lyman Beecher or a Channing, a Darwin or an Agassiz, a Garrison or a Phillips. He first studied telegraphy, then in its infancy, and for ten years participated in the genesis of that great science. During that time he resided at Detroit, St. Louis and New Albany. For more than a year all the telegraph business between St. Louis and the outside world was transmitted by his hand alone. The proficiency which he achieved cannot be exaggerated. In Reid's "History of the Telegraph in America" his name is frequently mentioned, and always in complimentary terms. In 1850, at New Albany, Mr. Hine began his career as an Underwriter. He was thus contemporaneous with the marvelous development of the insurance business in this country. At that time the system of fire agencies was crude, sparse and incomplete. The very names of the companies then doing business are for the most part forgotten. He soon became a prominent citizen, and interested himself in local politics, education, the church and the Sunday-school. He was at the same time insurance agent, telegraph agent, express agent, secretary of a plank road company, director of a bank and notary public, occupying an entire building with his various industries. In addition to this, he purchased the property of the New Albany Seminary and established a large and popular college for the education of women, it being the first college of the kind in Indiana, and one of the first in the Western States. His taste for educational pursuits caused him to invest his entire accumulation, and to mortgage his credit, in this enterprise. The financial crisis of 1857 came and he, with thousands of other public-spirited and ambitious men, was commercially ruined, losing not only his entire property, but being left hopelessly in debt. He made a compromise with his creditors which released him from further legal liability, but to him that was only a form, and in after years he returned to New Albany and paid his old debts, dollar for dollar, with interest. Such was his conception of honesty, character and manhood.

In 1858 Mr. Hine engaged with the Aetna Insurance Company as a Special Agent and Adjuster, and traveled in that capacity all over the Western and Southern States. During that time he edited a small paper, published in the interest of his company, entitled "Half Hours with Insurance Topics." This was his beginning as an Insurance Journalist, a profession to which fate had destined him to devote so many years of his life. His "Instructions to Agents" and "Letters of a Patriarch" were begun while he was a traveling man, but not completed until later.

He served his country for a short time during the Rebellion as a private soldier, but refused to accept a commission from the Governor of Indiana.

In 1865 Mr. Hine was called to New York and elected Secretary of the International Insurance Company. The following three years were devoted to organizing the agency system of that great company, which, as some of us remember, was most thorough and always with a view to exemplary practices and honorable competition. Early in 1868 the directors decided to pursue a more aggressive course than he believed to be to the interest of the stockholders, and, as he was a thoughtful man, and a manly man, he could not, for mere financial considerations, remain their Secretary. Subsequent events proved the correctness of his views. He was at this time criticised by a certain class of officials, but to him life was something loftier and grander than to be used in the mere earning of money. His idea of an income did not reach beyond its utility. He possessed no feverish ambition for riches. He did not have to watch closely the line which separates the members of parvenue society from the inmates of the prison.

During these three years he was also one of the active organizers of the National Board of Fire Underwriters.

Immediately after leaving the International Insurance Company he purchased the *Insurance Monitor*, and from that time until his death, a period of twenty-nine years, continued to be at its head. In addition to this, in connection with Mr. Walter S. Nichols, he conducted the *Insurance Law Journal* for over twenty-five years. He also wrote a number of books upon insurance subjects, published a catalogue of valuable books in their line, and frequently appeared before audiences as a delightful and instructive lecturer. With a high culture and a perfect command of language, his style was direct and earnest, forcible and agreeable. He used no big words and had no small thoughts. His brain and his heart traveled together. He scored his victories, not by ostentatious display, but by talent and genius. He wrote for both the ignorant and the wise. He pitied the one and honored the other. He loved the poor better than the rich. He imitated Jesus and Socrates, not Hannibal and Napoleon. Mr. Hine came into this Association in 1875, and was elected an honorary member in 1886. During the twenty-one years that he was with us he took an active part in the proceedings, and at the banquets placed us under renewed obligations from time to time by his witty responses to toasts and humorous songs. He added to our permanent literature by able and eloquent addresses. In 1875 his subject was "Agency Management." At subsequent meetings he chose such subjects as "Twenty Minutes with the Crayon," "An Effort to Ascertain What the Matter is," "An Inquiry into the Existence and Nature of the Power of the Tail to Waggle the Dog," "Concerning Commissions," "Insurance in its Relations to Civilization," "Fire Prevention by the Coroner Plan," "A Decade of Insurance Legislation," "The Jew in Fire Insurance," and "The Moral Hazard of an Official Position." His address last year was entitled, "How They Tax us." All of these were models in their way and have been read and reread by the reading and thinking men of the Fire Insurance profession.

Mr. Hine was more than we have hastily described him as being. He was something besides a telegraph expert, an underwriter, an editor, a business man, a lecturer. He was a great man with a great soul; a good man with a good heart; a strong man with a strong mind. He was a man who had traveled as far as the sun and yet never gotten away from his childhood. He was easily the Dr. Johnson in whatever circle he chose to move, and yet as modest as a girl. He was the pride and glory of a great profession and yet as unassuming as a bashful boy. He remembered the love of his father, the caresses of his mother, the kisses of his sister. Contact with the world did not harden his heart. He married the woman he loved, and for over forty years lived a perfect wedded life. He was a consistent member of the church and for thirty years the superintendent of a Sunday-school. He was a working officer of the International Law and Order League. Three or four years ago, at Chautauqua, he addressed an audience of over five thousand persons. To measure the good he did in the world would be as impossible as to estimate the blessings of the sun's rays. He became an old man on earth and continued to believe in God, in charity, in love, in goodness. He found inspiration in the stars, music in the birds, wisdom in babes and peace in the Bible. He believed in women and trusted men. When the end was near he looked from his sick-room through the half-open window, and, with the calmness of the true philosopher, said: "Let me be buried from the Church." He saw nothing to fear—nothing to dread. For seventy years he had been daily preparing for that which was now at hand. A few days later, in the little church, the last ceremony was performed. The house was filled to overflowing by men, women, and children, neighbors and friends, all mourners. With streaming eyes they followed him to his last resting place on earth. His grave was filled with flowers and tears, and dedicated, in sorrow, to love. The dusk gathered softly, the shadows fell slowly—a helper of the poor, of the widow and the fatherless, was gone. This is the story of the life of Charles C. Hine. His ashes were given to the soil of New Jersey, but his character, his work, his influence, his fame, belong to his country, to the world, to humanity, to civilization. *His name shall live in our hearts, forever and ever.*

I. W. HOLMAN,

Chicago, Sept. 3, 1897.

For the Committee.

(Applause.)

The President—

Would any other gentlemen like to say something on the death of Mr. Hine?

Mr. J. O. Wilson paid an eloquent tribute to the memory of the deceased.

The President—

We will now listen to the report of the Committee on the Death of Major Abram Williams.

REPORT OF COMMITTEE UPON THE DEATH OF
MAJOR ABRAM WILLIAMS.

Mr. William H. Cunningham—

MR. PRESIDENT AND GENTLEMEN:

A year ago to-day Major Williams stood in this room—perhaps on this very spot—and, as the Chairman of a Committee, delivered a report on the death of his friend and ours, General A. C. Ducat. Soon thereafter, on the 7th day of January, he himself was summoned to join the “innumerable throng” that pass from the activities of this life into eternal rest.

Abram Williams was born in Utica, N. Y., on March 31, 1828, and lived there until he was fifteen years old, and at that tender age went to the City of New York to carve out his own fortune. From that early beginning he advanced by industry and perseverance and through vicissitudes that beset his pathway on every hand, until ten years later he had become an importing merchant, with branches established in London and Paris. But the pressure of so large a business soon affected his health and a few years later he sold out his establishment and removed to Dubuque, Iowa. At that place he regained his health and again engaged in merchandising until the panic of 1857 swept away nearly all his financial resources. He still possessed, however, the far greater attributes of unusual ability combined with sterling integrity and untiring energy, and these won for him the friendship, confidence and love of his fellow citizens.

Following closely upon his retirement from business he was made clerk of the County Court of Dubuque County, and acceptably held the position, and while holding it studied law and was about to apply for admission to the bar when the Civil War commenced. He was at that time a member of the Governor's Greys, a celebrated local militia company, which has the proud distinction of being the first company to offer its services to the Government. Most of the officers and men of this Company became members of the First Iowa Volunteers and served with distinction until long after their term of enlistment expired.

About this time Abram Williams received a telegram from his old mother in Utica, saying: “I have two sons. One has gone to the front. What is the other one doing to serve his country?” To which he replied: “I have enlisted in the 6th Iowa Cavalry.” He entered the service as First Lieutenant and Regimental Quartermaster, and was afterward Chief of Cavalry on the Staff of General Sully. In his

capacity as Quartermaster he bought large quantities of supplies for the Government, and although his purchases amounted to millions of dollars he was mustered out of the service at the end of the war with his accounts all squared to a cent and just \$26.00 as his sole possession in money. He was specially complimented by the War Department for the distinctness and accuracy of his accounts.

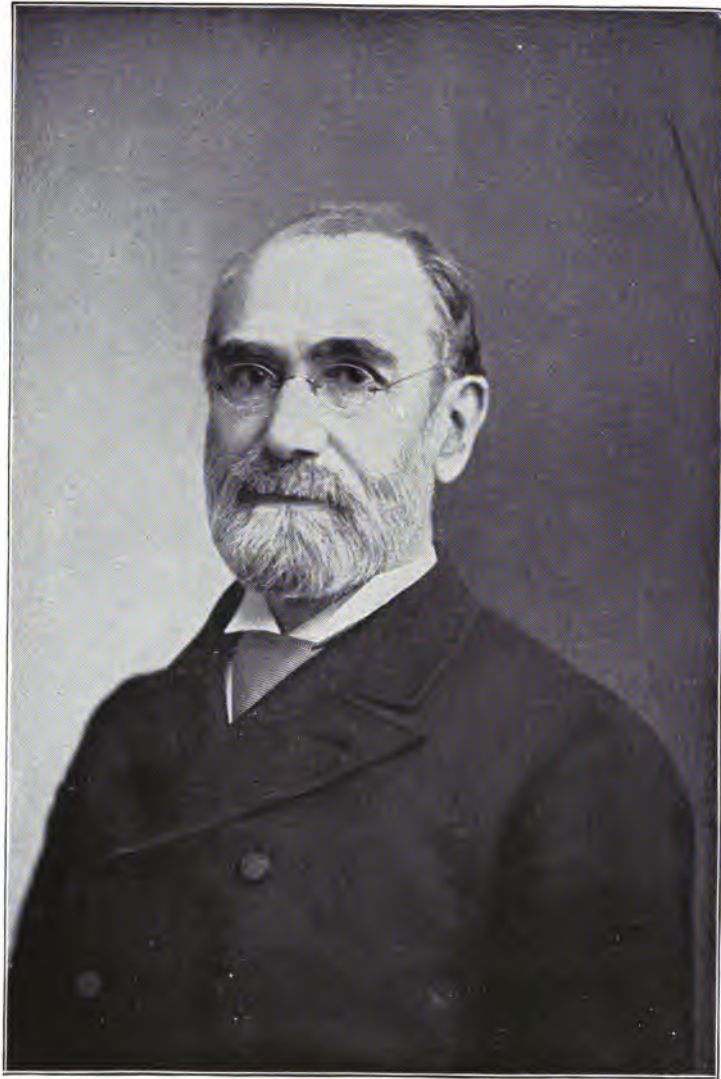
While Major Williams was Quartermaster, orders were received from Washington to purchase and forward immediately large supplies of grain and provisions for General Thomas' army. The quantity was so large that the elevators at Dubuque and Dunleith were filled, as well as the freight yards of the Illinois Central Railroad Company, which Railroad Company he was obliged to depend on for transportation. But the Company declined to give up its entire facilities to the transportation of Government supplies, and Major Williams took possession of the Railroad in the name of the United States and held it for three weeks until the last pound of his freight had been forwarded. It turned out that the importance of this act was far-reaching, for when General Thomas had wired Sherman that his army was supplied, the memorable "March to the Sea" was begun. The Illinois Central Railroad Company sued the United States Government for heavy damages by reason of this seizure of their property, and the case remained in the courts for twenty years before final settlement. Thus Major Williams showed that he was an emergency man—prompt to see and understand the value of action and possessing the courage to act. Throughout his entire life quick perception and courageous action were distinguishing features.

After the close of the war Major Williams became interested in Fire Insurance and was soon found, in the latter 60s, in Chicago, one of a small coterie of General Agents at that time. He represented the New York and Yonkers Insurance Company of New York, such men as the lamented Bissell, General R. J. Smith and a few others being his compatriots in a new effort to establish a business in the West, with Chicago as a center. The Chicago fire of 1871 put an end to the Yonkers operations, and after a year or two spent in the local insurance business in Chicago he was made General Agent of the Continental Insurance Company, which position he held for many years and until he was given the Western Management of the Connecticut Fire Insurance Company of Hartford, which he held until his death.

Mr. Williams was of deep religious sentiment and conviction, and was one of the most prominent and influential members of the Chicago Diocese of the Protestant Episcopal Church. Soon after his arrival in Chicago he connected himself with Grace Church, of which he was Senior Warden at the time of his death. Both the active and retired Rectors of that church were present at his funeral and burial and not only paid most tender tribute to his worth and character as a churchman, but to his great usefulness to his parish.

Such, in brief, has been the career of our honored and much-





ABRAM WILLIAMS.

MANAGER CONNECTICUT FIRE INSURANCE CO.,
CHICAGO, ILL.

1897.

Major Abram Williams,

CHICAGO

Manager of the Great Fire &
Insurance Co.

Died January 2, 1897.

AGED 67 YEARS.



ABRAM WILLIAMS.

MANAGER CONNECTICUT FIRE INSURANCE CO.,
CHICAGO, ILL.

In Memoriam.

1897.

Major Abram Williams,

CHICAGO, ILL.

**Manager Connecticut Fire In-
surance Co.**

Died January 2, 1897,

AGED 67 YEARS.

lamented brother. A man of true genius—a cultivated Christian gentleman and friend, one whom many a man remembers with gratitude for his sound advice, for his whole-souled sympathy in their troubles, for his genial approval of their wholesome successes. Scorning questionable and circuitous methods, he was bold to assert the right and maintain it with all the fervor and vigor of his nature. His rank in the business of fire insurance was always with the leaders, and the underwriting profession generally is greatly indebted to him for his usefulness and example. It was his habit of life to take a broad view of every question, and his clear and skillful explanations upon important points in the business left little doubt in the minds of others of the correctness of his conclusions. Mild in manner, courteous in bearing, cheerful in disposition, sympathizing with all in affliction and need, his helpful companionship was sought by good people in all the walks of life, and his intimacies included many of the noted men of this and other countries. He was a benediction to those honored with his friendship and association. Filling every position in private and business life with the greatest credit to himself, he has left an example abundantly worthy of emulation, and his sweet memory will live deep down in our hearts until we ourselves shall be called to "That bourne whence no traveler returns."

W. H. CUNNINGHAM,

GEO. M. LYON,

J. S. BELDEN,

Committee.

The President—

Gentlemen, you have heard the report of the Committee. What is your pleasure?

A Member—

I move the adoption of the report.

Motion seconded and carried unanimously.

Mr. R. J. Smith—

Mr. Chairman, we are in an unfortunate position at the present time in this, that we have left to us two alternatives: either to adjourn this meeting until to-morrow and hence hold another session, or else adjourn the banquet which is to be held to-night, if we get through with all the business there is to be done, unless we omit something and a good deal of it. Now, one or two of those who have papers to read on deceased members have said that, it being absolutely necessary to give this room up in a short time, they thought it best to print the balance of the obituaries instead of having them read. I am well aware of the risk I take in making such a motion. I would not hurt the feelings of one of these gentlemen, nor of one of the friends of the deceased for anything in the world, but there are but two alternatives left us, and while many here would like to add a tribute to the memory of our deceased friends and would like to add a tribute

to those of the committee in their reports just read, were there time to do so, the deprivation will not be any greater for those who have prepared obituary notices than for those who would like to talk upon their memories, and I therefore move that the remaining obituaries be printed in the Proceedings.

Mr. T. H. Smith—

Speaking as one having prepared an obituary on Mr. David Beveridge, and knowing, as I do, how he would have felt and acted at such a time were he with us, I second Mr. R. J. Smith's motion to omit the further reading and to print the obituaries.

The President—

Gentlemen, you have heard the motion made and seconded, that the obituary notices prepared on the death of other deceased members be handed to the Secretary and printed in the Proceedings instead of being read this afternoon; and I would also suggest that that motion include, that any member desiring to pay any tribute to the memory of Mr. F. C. Bennett, Charles C. Little or Mr. David Beveridge, hand in the same to the Secretary and that those also be printed in the Proceedings.

Motion amended to include the suggestion of the President, seconded, and carried unanimously.

REPORT OF COMMITTEE UPON THE DEATH OF MR. JOHN C. PAIGE.

TO THE MEMBERS OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE
NORTHWEST:

On May 8, 1897, in the City of Boston, there passed from this life John C. Paige.

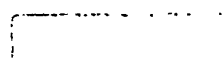
Mr. Paige was born at Hartford, Windsor county, Vermont, September 14, 1842. Beginning his business career as a boy in a country store at the early age of thirteen years, by industry, honesty and ability he in six years secured a partnership in the firm which was, in a small way, doing an insurance business. Later he became a Local Agent at Claremont, New Hampshire, and afterwards entered into the service of the Narragansett Insurance Company of Providence, Rhode Island, as Special Agent and Adjuster. He filled this position with marked ability, and in 1873 settled in Boston to do a general insurance business.

Mr. Paige was United States Manager of foreign interests, General Agent in the East for the Imperial Insurance Company and Local Agent in Boston for leading companies, as well as a most successful broker. Success marked his career in every branch of his work, and he left to his faithful employes a magnificent business. He occupied in Boston a high social position, and no man was ever more public spirited. Much of his large income was given to charity, and no unfortunate who was deserving ever appealed to John C. Paige in vain. His greatest pleasure was in doing good to others. Possessed of indomitable industry, energy and well directed enterprise, with an unsullied character and marked individuality, he made a lasting impression upon all with whom he came in contact. He had the respect of all his competitors, was full of wise counsel, a friend of the young man, and one whose every effort was to raise the standard of the profession which he had chosen. He was honored in the city of his adoption with many positions of trust and responsibility. It has been said that he was the best known man in Boston.

His life was an example which should be emulated by every young man, and a monument of love exists and will continue to exist in the hearts of his many friends.

EUGENE HARBECK,
DANIEL C. OSMUN,
HERBERT C. HILL,

Committee.





JOHN C. PAIGE.

MANAGER AND LOCAL AGENT.

In Memoriam.

1897.

John C. Paige

BOSTON, MASS.

Local Agent and United States Manager
of Foreign Companies.

Died May 8, 1897,

AGED 55 YEARS.



JOHN C. PAIGE.
MANAGER AND LOCAL AGENT.

In Memoriam.

1897.

John C. Daige

BOSTON, MASS.

**Local Agent and United States Manager
of Foreign Companies.**

Died May 3, 1897,

AGED 55 YEARS.

REPORT OF COMMITTEE UPON THE DEATH OF
MR. A. J. TRUMBULL.

TO THE MEMBERS OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE
NORTHWEST:

Your committee has been called upon to report on the death of Mr. A. J. Trumbull. As a member of this Association he was known to most of you. To those of us who had the good fortune to know him intimately, his absence from our midst is a keen bereavement.

Mr. Trumbull was born in the town of Day, Saratoga county, New York, on the 10th day of January, 1836. In 1861 he enlisted in the New York infantry and remained a faithful and efficient helper in the cause of freedom until the end of the war. He then, with the same quiet, soldierly bearing which had characterized his career throughout the civil war, took up the role of a private citizen of the United States which he had helped to preserve, and to the day of his death nobly and honorably enacted the part which he had elected to sustain.

In 1865 he entered the field of insurance as Secretary of the Home Fire Insurance Company of St. Paul. When this company was finally merged into the St. Paul Fire and Marine, Mr. Trumbull remained with the latter company for a number of years in the capacity of Adjuster. In 1882 he became associated with the North America and Pennsylvania, remaining until January, 1889, when he left to accept the position of State Agent and Adjuster of the Fire Association, which position he was ably filling at the time of his death.

Mr. Trumbull died at his home in Merriam Park, September 13, 1897.

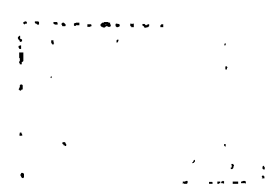
For thirty-two years, in the insurance field, was Mr. Trumbull a quiet and efficient worker. For the whole term of years which made up the sum total of his earthly existence was he the embodiment of honest manhood. Modest, frank, unassuming, kind and sincere always—no man in the field was there, who knew him, but gladly turned from his path to take him by the hand in friendly greeting, and no one but carried away with him at parting, a warmer, a broader and more generous feeling for all humanity because of the humanity of one.

His was not the heroism which emblazons itself before the world in the trappings and gold lace of chivalry and war—not the heroism which wreathes itself in the smoke of the martyr's stake—but that greater heroism which constitutes him a man, who has learned to know himself but as a note in the great harmony of nature, and so attunes his life that it may not be discordant.

Though the personality has left us, the silent influence of his sterling character remains and is with us to-day, a living, guiding presence.

OTTO E. GREELY,
E. M. HITCHCOCK,
E. H. BERRY,

Committee.





A. J. TRUMBULL.

SPECIAL AGENT AND ADJUSTER.

In Memoriam.

1897.

A. J. Cambull,

MERRIAM PA.

State Agent and Minister of the
Association, Phila.

Died September 13, 1897,

AGED 61 YEARS.



A. J. TRUMBULL.

SPECIAL AGENT AND ADJUSTER.

In Memoriam.

1897.

A. F. Trumbull,

MERRIAM PARK, MINN.

**State Agent and Adjuster of the Fire
Association, Phila.**

Died September 13, 1897,

AGED 61 YEARS.

REPORT OF COMMITTEE UPON THE DEATH OF
MR. GEO. STEVENS ROPER.

TO THE MEMBERS OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE
NORTHWEST:

George Stevens Roper was born on a farm near Worcester, Mass., on January 28, 1832.

When a boy, his parents moved to Western Pennsylvania, and there he grew from youth to early manhood, with such limited advantages for education as that part of the country afforded. He was a hard-working boy, and nearly every night, by the aid of a tallow candle, was studying his books, and thus kept in advance of his class.

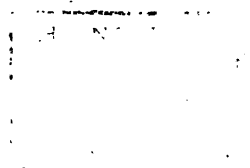
When eighteen years old, he had so mastered the rudimentary branches that the School Trustees employed him as a teacher in the public school. Here he improved the opportunity for study and won the esteem of the business men. When his term expired he was employed as a clerk in the country store, which position he retained until 1854, when he removed to Springfield, Illinois, and became a clerk and bookkeeper in one of the largest and best-known dry goods stores in Central Illinois.

Books were his best friends; his leisure hours were spent in the Public Library, and he soon became the Secretary of the Springfield Library Association, in which capacity he became personally acquainted with a host of distinguished men, who made the capital of Illinois famous as a resort for many of the greatest men of this century.

In 1861, when President Lincoln issued his first call for troops, he, by request of Gov. Yates, entered the service of the State of Illinois, and on September 9, 1861, was commissioned a Captain and Commissary of Subsistence in the Union Army, and reported for duty to General Geo. H. Thomas at Crab Orchard, Ky. From that time until the close of the war he participated in all the marches and campaigns in which the troops under the immediate command of General Thomas took a part. After the battle of Murfreesborough, he was assigned to the staff of General Schofield, then to that of General Stedman, and later to that of General Brannon.

On May 24, 1864, he was, by the order of General Sherman, assigned to duty on the military railroads centering in Nashville, Tenn., and was thereafter under the immediate command of General McCallum.

In January, 1862, for conspicuous and meritorious conduct, he was





MAJOR GEO. S. ROPER.

SECRETARY MANUFACTURERS AND MERCHANTS MUTUAL INSURANCE CO.,
ROCKFORD, ILL.

In Memoriam.

1897.

Major Geo. S. Roper,

ROCKFORD, ILL.

Secretary Manufacturers and
Mutual Ins. Co. of Rockford

Died February 3, 1897.

AGED 65 YEARS.



W. S. ROOPER.

MEMBER OF THE MERCHANTS MUTUAL INSURANCE CO.,
CHICAGO, ILL.

In Memoriam.

1897.

Major Geo. S. Roper,

ROCKFORD, ILL.

**Secretary Manufacturers and Merchants
Mutual Ins. Co. of Rockford, Ill.**

Died February 3, 1897,

AGED 65 YEARS.

breveted Major and Commissary of Subsistence, and his military service was rendered under that rank until he was honorably mustered out January 28, 1866.

The war being over, he returned to his home in Springfield. His first engagement was as clerk in a store in St. Louis, Mo., which position he retained until he moved to Alton, Ill., and engaged in the insurance business. For several years he traveled extensively throughout the West as Special Agent and Adjuster, and was very favorably known to most of the field force of the insurance fraternity.

In September, 1881, he was elected Secretary of the Manufacturers and Merchants' Mutual Insurance Company of Rockford, Ill., where he assumed and successfully maintained the general management of that corporation until called to that "land beyond the river" where he has found a "sweet forever" and will "ring the Golden Bells for you and me." He had for many years been an honored member of this Association, and took great interest and pleasure in attending its meetings.

"We shall meet, but we shall miss him.
There will be one vacant chair."

He died at Rockford, Ill., February 3, 1897. The funeral services were held in the Church of the Christian Union, Rev. Thomas Kerr officiating. The church was well filled long before the hour of the service. There were friends from distant cities. A special car was run from Chicago, containing delegates from the different Masonic bodies, from the Military Order of the Loyal Legion, from the Grand Army of the Republic and from members of this Association. The surrounding towns and country-side contributed many who had felt the influence of a blameless life, and who felt the loss of the kindly, big-hearted man to be a personal one. Not one-tenth of those who desired to hear the services could get in, the church being crowded to suffocation. Never, in the history of that beautiful city, has there been a tribute so genuine, so general and so affecting, paid any citizen who has been called away from earthly scenes. He was buried with Military and with Masonic honors, in the cemetery near that city.

In the passing of Major Roper, the social, industrial, commercial, civic and religious interests of the day have sustained a great loss. In each of these relations he bore a conspicuous and beneficent part. His death was indeed to multitudes of this country as a personal bereavement.

A man of uniform kindliness, courtesy and generosity; in business able, experienced and honorable; in friendship unselfish, unfaltering and enthusiastic; from childhood and youth well beloved in word and deed, ever true to his mental, moral and religious convictions: thus Major Roper rose high in the respect and confidence of all with whom

he came in contact, endearing himself in an ever-widening intimacy. Let his name be held in lasting, grateful memory.

This Association desires to keep his name in enduring remembrance, and to assure his family of its deep sympathy in their loss.

"Soldier, rest! Thy warfare o'er,
Dream of fighting fields no more;
Sleep the sleep that knows not breaking,
Morn of toil, nor night of waking."

W. L. BARNUM,
I. S. BLACKWELDER,
J. P. SHERIDAN,
Committee.

REPORT OF COMMITTEE UPON THE DEATH OF
MR. DAVID BEVERIDGE.

TO THE MEMBERS OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE
NORTHWEST:

"Time takes those home that we loved, fair names and famous,
To the soft long sleep, to the broad sweet bosom of death;
But the flower of their souls he shall take not away to shame us,
Nor the lips lack song forever that now lack breath.
For with us shall the music and perfume that die not dwell,
Though the dead to our dead bid welcome, and we—farewell."

In coming to speak of one known to so many of us and esteemed by all who knew him, it is meet that we note on our minutes briefly his life history, that it may be fittingly recorded in our pages and not forgotten.

Mr. Beveridge was born in Falkirk, Scotland, April 3, 1841. Coming to this country with his parents when but a lad perhaps some ten years old, they found a new home on this side the water at Newburg, N. Y., on the Hudson, where his youth was spent and where his education was obtained in the Newburg Academy. Here he took high rank in his class, and though leaving school at the age of sixteen, he had at the request of the Principal, Mr. Reed, assisted him in teaching. On leaving the Academy he learned the drug business with J. S. and J. B. V. Fowler, the leading druggists of Newburg. He then became a druggist on his own account on Seventh avenue, New York City, but ere long the war fever proved too strong and he sold out to enter the army. He served in Louisiana and Mississippi, and was for a while in the North on recruiting service. He was taken prisoner and endured the privations of a Southern prison for some months and when paroled came home so shattered in health that his mother failed to recognize him. Soon after leaving the army, he took service in the office of the Home Insurance Company in New York, where his insurance career seems to have begun. After some four years with them he became connected with the Underwriters' Agency and was in the West for them until 1873, during which time he had charge of their Chicago losses. When the Western Department of the Niagara Insurance Company was established in 1874, he was senior Manager, the firm being Beveridge & Harris. Resigning in the early 80s, he was for a time connected with the *Argus* of Chicago, and in sundry positions of a temporary nature. He then served as Compact Manager at Minneapolis, later at Detroit, when the Michigan Inspection and Rating Bureau was organized under his supervision.





DAVID BEVERIDGE.

In Memoriam.

1897.

David Beveridge.

Manager and Editor.

Died February 7, 1897.

AGED 56 YEARS.



DAVID BEVERIDGE.

In Memoriam.

1897.

David Beveridge.

Manager and Inspector.

Died February 7, 1897,

AGED 56 YEARS.

Leaving Detroit in 1891, he shortly after became Secretary and Inspector for the Insurance Committee of the World's Fair. On the establishment of the Iowa Alliance he took charge of that, resigning in 1896, when changes in the law made it inoperative. He was not in good health, still suffering, as always, from the exposure of his army life, supplemented by hard work, for he was indefatigable in anything he undertook, and in January, 1897, he sailed from New York for Glasgow on the Anchoria. Very heavy weather was encountered soon after leaving port, and he was very seasick, which aggravated his disease, and though he had the care of the ship's physician, he did not rally, but died at noon on Sunday, February 7, 1897. He was buried at sea the following day, the captain reading the usual service.

Those of us who knew and loved him can but feel a deep sorrow at his death and the loss of his genial presence. His long-time friend, Col. Kellogg, in speaking of him says:

He was a stalwart figure in fire insurance. He never did anything half way. He believed in thoroughness, and never called a halt while there was work to be finished. As an Adjuster he wished to go to the bottom of the whole affair; as a Manager he upheld rates; as a Schedule Rater he was an eminent success; as a man he was upright and firm, despising the fraud and holding to the truth.

To which we can say Amen and Amen.

In his connection with this Association we find him at Milwaukee in 1873 while General Adjuster for the New York Underwriters. At the Eighth Annual Meeting, in 1877, he gave us an exhaustive paper on "Current Forms of Policy and Judicial Decision Thereon." At the Ninth Meeting, in 1878, his paper on "The Law of Waiver and Estoppel" was a strong document, showing his intimate acquaintance with the legal phase of it, duly fortified by reference to cases. At the Tenth Annual Meeting he was on the list for a paper upon the Law of Insurance, which was not given for the reason that, though putting in a good deal of labor on it, he did not have the time to make it what his high ideal of such a paper demanded. At the dinner of that year he was toastmaster. It will be noted that his papers turned to legal topics, on which he was authority, and his close acquaintance with the reports, coupled with his great memory, made his opinions peculiarly worthy of reliance.

He had a deep love of all that pertained to his native country, and his intimate acquaintance with the Scottish authors bore testimony thereto. He often quoted something of or about them, and in filing some old papers relative to his recruiting service, he makes the proper label and adds, "Dinna ye hear the slogan."

His literary taste was pronounced. He was a great reader and a close student. His memory was remarkable both for retaining what he had read and seen, and his faculty of having the information ready at the right moment for use no less so. As a friend he was peculiarly

true and genial, and those of us who have spent the hours of relaxation with him will never forget them, nor the pleasure derived from his society. His life's record is made and we shall not see him again as of yore, but looking back on the leaves of his life history, we say with the deepest regret for our loss, Peace to his memory. In paying this last tribute of love and respect to his memory and character, we would say with the poet:

"Few hearts like his with virtue warmed,
Few heads with knowledge so informed.
If there's another world he lives in bliss;
If there be none, he made the best of this."

Respectfully submitted,

T. H. SMITH,
Committee.

REPORT OF COMMITTEE UPON THE DEATH OF
MR. FRANK W. ARMSTRONG.

TO THE MEMBERS OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE
NORTHWEST:

Death has claimed another member of this Association, Mr. Frank W. Armstrong, who died at his home in Indianapolis, Ind., on the 27th day of August, 1897.

He was born in Terre Haute, Ind., May 31, 1843. His father died the following year, leaving his widowed mother to care for five boys, of whom Frank was the youngest. His educational advantages were limited to the common schools of that section, but he grew to be a strong and vigorous youth, and in 1861, fired by patriotism, that was a strong characteristic of his nature, he with his four brothers enlisted in the war for the Union in the Tenth Indiana Volunteers. The hardship of army life so broke his health that he was ever afterwards a sufferer from its effects, but a braver man never lived, and he never was heard to complain.

After the close of the war he located at Brazil, Ind., and began his insurance career as Solicitor for the firm of Boudinot & Brown, of Terre Haute, Ind. It was not long until the insurance companies discovered his worth, and he became well established for himself at Brazil. He became distinguished for the intelligence, fidelity and promptness with which he served his companies as Local Agent, and in 1888 he was appointed Assistant State Agent of the Germania of New York under the late Captain Merwin F. Collier, serving in that capacity until the death of Mr. Collier, when he became State Agent for Indiana. He served the Germania as State Agent up to the time that Mr. R. H. Garrigue became Manager of the Merchants' Insurance Company of New Jersey. He was then appointed State Agent and Adjuster for Indiana and Kentucky by Mr. Garrigue, and held that position at the time of his death.

Frank Armstrong, as he was familiarly known among his friends, was a most capable and efficient field man. He held the friendship and esteem of the Local Agent as with hooks of steel, and his business life was marked by that fidelity and earnestness of purpose that brings the reward of success. He was generous and forgiving in nature, broad in sympathy for distress, and leaves many a friend to remember his untold kindness.

He was at one time Vice-President of the Indiana Association of Underwriters, and afterwards President of the Indiana League, and among his associated field men was held in great respect.

He leaves a widow and many friends to mourn his death.

H. H. FRIEDLEY,

L. D. MOODY,

D. A. RUDY,

Committee.

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FRANK W. ARMSTRONG.

SPECIAL AGENT.

Memoriam.

Frank W. Armstrong,

INDIANAPOLIS, IND.

State Agent and Register Merchants

Successor to J. H. H. H.

Died August 27, 1897,

AGED 54 YEARS.



FRANK W. ALLEN STRONG.

VICE PRESIDENT.

In Memoriam.

1897.

Frank W. Armstrong,

INDIANAPOLIS, IND.

**State Agent and Adjuster Merchants
Ins. Co. of N. J.**

Died August 27, 1897,

AGED 54 YEARS.

REPORT OF COMMITTEE UPON THE DEATH OF MR. GEORGE W. HALL.

TO THE MEMBERS OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

On the 19th day of June last, in the bloom of early summer, when all nature is teeming with life, the spirit of our old friend and comrade, and member of our Association, was called from life to death at Sault Ste. Marie, Mich., while on duty in the field as Deputy Inspector for the Upper Peninsula. He had passed the springtime and the summer of his earthly career, and in the autumn of his life took the long journey we all must sooner or later take.

George W. Hall has been a familiar figure at our annual conventions for years, nearly going back to its formation.

He has been a sentinel at our door for many a year, and all those who passed in and out in attendance upon our meetings knew well the familiar face and good qualities of our departed brother.

He died in his 67th year—a native of New York State, born October 27, 1830. Of his very early years we have no information, but having passed from childhood to manhood we find him engaged in the banking business at Lockport, N. Y., which was for many years his home. Here he engaged also in the insurance business, and laid the foundation for his subsequent reputation and career as an underwriter. His first appearance upon the field as a representative of insurance interests was when he came West as the Special Agent under Messrs. Wilson & Redfield, of the Atlas and Shawmut Insurance Companies, of which they were General Agents. This was as far back as 1876, since which time Mr. Hall has been prominently identified with the Western insurance field.

After the retirement of the companies he represented, he pitched his tent in Chicago as an Independent Adjuster and Special Agent, and gathered to himself a fair clientage, and he became recognized as a skillful and conscientious independent worker.

While in the independent field, where his abilities were shown, he was offered and accepted the managership of the Insurance Compact at St. Paul, being one of the first appointed to a position of this kind, as compacts at that time were being introduced. His success in his new field of labor was pronounced from the first, and the esteem in which he was held by the insurance agents of St. Paul, and the respect shown him by the property owners, is ample proof of his fitness for the position. Later he occupied a similar position at Negaunee, in the Upper Peninsula of Michigan, where his good qualities again asserted themselves, and where he died in the harness.

Mr. Hall was a man of more than ordinary talent, well read and broad in his views. His perceptions were clear and his judgment well balanced. He thought before he decided. In his work he was thor-

THE NEW YORK
PUBLIC



GEORGE W. HALL.

INSPECTOR.

U. S. Army.

Inspec-

Feb. 19, 1897,

FARS.



GEORGE W. HALL.

INSPECTOR.

In Memoriam.

1897.

George W. Hall,

NEGAUNEE, MICH.

**Deputy Inspector Michigan Inspec-
tion Bureau.**

Died June 19, 1897,

AGED 67 YEARS.

oughly reliable and strictly honest, and would not countenance nor lend himself to any doubtful methods.

His strong points were good sense and diplomacy. He possessed the faculty of reading human nature and taking in situations with accuracy, and seemed to have no difficulty in solving difficulties and harmonizing differences. He was in a measure a natural diplomat, while not yielding a jot or a tittle from his conception of the rule of writing, nor of strict observance to truth. Duplicity found no favor with him, but an honest, straightforward course was always his rule of action. His character seems to have been appreciated by the Local Agents in the field of his last labor, as evidenced in the expressions of respect and regret which have found utterance among them.

In his domestic life Mr. Hall was a kind husband and a devoted father, and cared more for home and the privileges of its retiracy than for association with the business world or club life. His closest companions next to his family were his books. He read a great deal and thought a great deal. The result was that his mind was cultured and well stored with the current literature and knowledge of the day, making him an instructive and agreeable companion.

His work is ended. The book of his life is closed. His virtues and good qualities stand out before us worthy of emulation, and each and all of us may truly say we have lost a brother and a valued member.

Respectfully submitted,

GEO. W. ADAMS,
GEO. E. REDFIELD,
J. MABBETT BROWN,

Committee.

REPORT OF COMMITTEE UPON THE DEATH OF MR. AARON P. COLE.

TO THE MEMBERS OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE
NORTHWEST:

Thirty-eight years ago, in the town of Marshall, Ill., Aaron P. Cole was born. He was an only child, adored by his family and beloved by all who knew him. He was educated in the public school of his native town. His business education commenced as a clerk in a grocery store, afterwards as a bookkeeper in a local bank. His real ability and popularity were recognized by his election as treasurer of Clark county in 1886.

Aaron Cole's insurance training began as Local Agent while he was working in the bank, and he succeeded so well that at the end of his term of office as Treasurer in 1891 the late George F. Bissell, General Agent of the Hartford, sought him out and engaged him to travel in Illinois as Special Agent. While he was not generally acquainted in this Association, he was widely known and a general favorite in Illinois with the insurance fraternity. Possessed of indom-

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END



AARON P. COLE.

SPECIAL AGENT.

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AARON P. COLE.

SPECIAL AGENT.

In Memoriam.

1897.

Aaron D. Cole,

MARSHALL, ILL.

State Agent Underwriters, N. Y.

Died October 25, 1896,

AGED 38 YEARS.

itable energy and perseverance, Aaron Cole put his whole heart into his work. Three years later, his nerves shattered and health completely broken down, he was compelled to give up his business, and for two long weary years was confined to his house, forced to suffer and to endure a term of inactivity that was torture to his active nature. In April, 1896, he was able to return to work. In June he accepted a position as State Agent for the New York Underwriters in Indiana. Early in September, overcome by the heat, he was taken back to his home. After an illness of a few short weeks he died October 25, 1896.

Had Aaron Cole lived, his name would have been written high up on the roll of insurance history. Dearly beloved by those of us who knew him, we revere his memory, and we are bowed down in sorrow by the loss of a friend. But we are better men to-day for having known him. Who could help feeling the influence of one so straightforward in business, so thoughtful and generous to his friends, so hopeful and patient in his suffering, a Christian gentleman, a devoted husband, and a loving father?

Now, therefore, be it

Resolved by this Association, that in the death of our departed friend and associate, Aaron P. Cole, we have lost one whose place cannot be filled, and our heartfelt sympathy be extended to his wife and two little daughters.

Be it further resolved, that these resolutions be printed in our Proceedings, and a copy of same be sent to his family.

L. E. HILDRETH,

J. B. WHARTON,

R. N. JESSOP,

Committee.

REPORT OF COMMITTEE UPON THE DEATH OF MR. JOSEPH C. MYERS.

TO THE MEMBERS OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE
NORTHWEST.

Gentlemen: Your committee to whom was referred the death of Joseph C. Myers, begs leave to report:

Joseph C. Myers was born in New York city, May 27, 1845, received a common school education in Connecticut, where he was brought up on a farm by an uncle, his parents having died when he was a mere lad. At the age of nineteen years he enlisted as a private in the Regular Army, serving four years, receiving an honorable discharge after promotion to the position of sergeant.

He came West in the 70s and engaged in the life insurance business under Hodges Bros. of Detroit, Michigan. In May, 1883, he entered the employ of the Continental Insurance Company as Special Agent for the State of Iowa. After remaining in this position two

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JOSEPH C. MYERS.

STATE AGENT.

Myers,

1904.

of North

OFFICE

and September 17, 1897,

OLD 12 YEARS.



JOSEPH C. MYERS.

STATE AGENT.

In Memoriam.

1897.

Joseph C. Myers,

GRAND RAPIDS, MICH.

**State Agent Insurance Co. of North
America.**

Died September 17, 1897,

AGED 52 YEARS.

years, he removed to Minnesota, engaging with the Niagara Fire Insurance Company as Special Agent for that State, continuing with them until 1887, when he entered the employ of J. F. Downing, General Agent of the Insurance Company of North America, as Special Agent for Minnesota, Dakota and Montana. In 1890 he was transferred to Michigan, locating in Detroit, which city he made his home until the spring of 1896, when he moved to Grand Rapids. He continued traveling until July, 1896, when he was taken ill, growing gradually worse until October, 1896, when he was placed in St. Mary's Hospital, where he received the best of care, but continued to grow worse and died peacefully on Friday morning, September 17, 1897.

Up to the time of his death he retained the title of State Agent of the Insurance Company of North America, at the request of his employers. His remains were cremated at Detroit, Michigan, September 19, 1897.

His death was from locomotor ataxia, induced by a fall he received at Grand Rapids in December, 1894. Through all his long suffering and patient waiting for death, his only relief, he was never heard to utter a word of complaint, and his friends, who are legion, attest to his many manly qualities and deeply mourn his loss. As has often been said of him, no man ever traveled in our profession whose sense of honor was more pronounced, or was more steadfast to his friends in co-operation for the promotion of correct practices in underwriting, than Joseph C. Myers. He was the honored Vice-President of this Association in 1888 and a member in good standing at the time of his death.

M. H. N. RAYMOND,

D. W. WELLS,

H. C. ALVERSON,

Committee.

REPORT OF COMMITTEE UPON THE DEATH OF MR. SETH EGGLESTON.

TO THE MEMBERS OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE
NORTHWEST:

SETH EGGLESTON, SPECIAL AGENT AND ADJUSTER,

Providence-Washington Insurance Company.

Born at Quinnabaug, Conn., April 14, 1851.

Died at Des Moines, Iowa, December 12, 1896.

Thus is recorded the beginning and the end of the life of Mr. Seth Eggleston, a member of this Association, whose memory we to-day honor with this tribute in its place upon our records.

The early years of his life were spent in Utica, New York. In 1874 the family removed to Burlington, Iowa, where our friend received the full benefits of the excellent schools of that city. Seeking that broader education which comes with a business experience, he entered the employ of the Burlington & Missouri River Railroad Company,

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SETH EGGLESTON.

SPECIAL AGENT AND ADJUSTER.

In Memoriam.

Seth Eggleston,

BORN NOVEMBER 22, 1841.

Special Agent and Inspector, Residence
Washington, D. C.

DIED December 12, 1896,

AGED 55 YEARS.



M. EGGLESTON.

LOCAL AGENT AND ADJUSTER.

In Memoriam.

1897.

Seth Eggleston,

DES MOINES, IOWA.

**Special Agent and Adjuster Providence-
Washington Ins. Co.**

Died December 12, 1896,

AGED 45 YEARS.

whose service he abandoned in 1875 and entered the field of journalism as manager and joint owner of the *Burlington Gazette*. Here his untiring energy, his trenchant pen, and his apt illustrations of living issues, earned for him the respect and commendation of the members of his profession.

After nearly four years of this service he disposed of his interests and took up the work of fire insurance, which ever after constituted his life work, occupying the position of Special Agent and Adjuster for the Providence-Washington Insurance Company at the time of his death.

A ready and thorough analyzer of causes and effects, an earnest student of the work before him, with a conscientious devotion to duty, could not fail to bring the success which crowned his efforts. He was given to advanced ideas, and was courageous in their practice. Abounding in wit and the master of sarcasm, he brought these faculties into full play, as, in the press or on the forum, he punctured old theories, and threw aside threadbare practices of the profession for more advanced ideas and higher standards.

In the field he was a ready and valuable counselor, and there as well as here he is missed, but elsewhere more.

We can approach but not enter the portals which shield his loved ones from our intrusion upon their secret grief, but can send this as a weak tribute to a loving husband and father—our brother and friend.

M. W. VAN VALKENBURG,

H. C. STUART,

CHRISTIAN STAWITZ,

Committee.

REPORT OF COMMITTEE UPON THE DEATH OF MR. CHARLES C. LITTLE.

TO THE MEMBERS OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE N.W.:

On April 23, 1897, there passed from this life in New York city, Charles C. Little, Vice-President and Secretary of the Phenix Insurance Company of Brooklyn.

To know him was to love him. A man of ability in his chosen profession, of splendid character, aggressive and firm, but always willing to listen and be convinced, he commanded the respect and admiration of his confreres and was loved by his host of friends. In his social intercourse he was always the genial gentleman whom it was a pleasure to meet and whom none forgot.

The Northwestern Association had no more staunch supporter, and at the request of the President I write this testimonial, to be printed in the Proceedings, with sorrow that he has gone from us and with the knowledge that his memory will be cherished by all.

EUGENE HARBECK.



CHAS. C. LITTLE.

VICE-PRESIDENT PHENIX INSURANCE CO., N. Y.

The City of New York

IN SENATE

April 17, 1897.

Chas. C. Little,

NEW YORK CITY.

Vice President and Secretary of the
Gas Co. of Brooklyn.

Died April 15, 1897.

AGED 42 YEARS.



CHAS. C. LITTLE.

VICE-PRESIDENT PHENIX INSURANCE CO., N. Y.

In Memoriam.

1897.

Chas. C. Little,

NEW YORK CITY.

**Vice-President and Secretary Phenix
Ins. Co. of Brooklyn.**

Died April 23, 1897,

AGED 42 YEARS.

REPORT OF COMMITTEE UPON THE DEATH OF
MR. FREDERICK C. BENNETT.

TO THE MEMBERS OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE
NORTHWEST:

Every fire underwriter who has been engaged in the business for any considerable length of time has good reason to venerate and revere the memory of Mr. Bennett, who was indeed a pioneer among those who begun the agency system in the Middle Western States.

He was an important aid and counselor to his talented brother, J. B. Bennett, during the whole period of his successful career as General Agent of the *Ætna Insurance Company*, and succeeded him when he retired.

The name Bennett, therefore, became not only a household word when fire insurance was mentioned, but also the synonym of solidity and strength.

For many years the action of his company in the field, under his management, was regarded as orthodox and regular in every way when such action was inspired and sanctioned by him. He led all others in good, sound practice, which was never vacillating or in any way calculated to mislead his associates. His word was never disputed or doubted, and being a man of long experience and far above the average in intelligence, he was what many may aspire to be and few ever attain, a model fire underwriter.

Coupled with these rare acquirements he possessed a genial, kind spirit, which with him was perfectly natural and never assumed. No one, young or old, friend or stranger, ever went to him for advice or information and came away empty-handed, if it was at all possible for him to furnish it.

To the young and struggling Agent, or Special Agent he was a friend indeed. Thousands of them can readily and cheerfully testify to his many good traits and the valuable assistance he gave them.

Modest, unassuming and diffident, he rarely appeared in public, but when called upon he responded in such an impressive way, and with words of such modest import, that he never failed to command strict attention.

Those of us who came under his tutelage and for years were wont to go to him for advice and look to him for wise examples, feel his loss deeply, and will not soon forget him. He deserves a monument, erected by grateful friends and comrades, to be inscribed as marking the last resting-place of a good man and an able and a just fire underwriter.

R. J. SMITH.



F. C. BENNETT.

GENERAL AGENT ÆTNA INSURANCE CO. OF CONN.,
CINCINNATI, OHIO.

In Memoriam.

1897.

J. C. Bennett,

CINCINNATI, OHIO

General Agent Aetna Insurance Company
of Hartford.

Died May 25, 1897.

AGED 67 YEARS.



F. C. BENNETT.

GENERAL AGENT ETNA INSURANCE CO. OF CONN.,
CINCINNATI, OHIO.

In Memoriam.

1897.

J. C. Bennett,

CINCINNATI, OHIO.

**General Agent Aetna Insurance Company
of Hartford.**

Died May 25, 1897,

AGED 67 YEARS.

The President—

The next in order is unfinished business.

The Secretary—

This resolution on page 186 of last year's Proceedings, to change the By-Laws, was voted upon last year and under the rule was laid over until this year:

(Reads resolution.)

Mr. R. J. Smith—

I move the adoption of the resolution.

Motion seconded and carried unanimously.

ELECTION OF OFFICERS.

The President—

The next thing in order is the election of officers, or rather a recommendation to the Board of Directors for officers for the ensuing year. The Chair is ready to receive any nominations. Are there any candidates to be presented for President?

Mr. S. E. Cate—

Any words of mine fail to express the deep gratitude that I feel for those friends who have stood steadfastly by me in this nomination for President. At the same time those friends and myself have concluded that this is not the time for me to be a nominee. I therefore have the pleasure, Mr. President, of nominating Mr. A. E. Pinckney of Kansas City.

Mr. H. C. Eddy—

Mr. President, I rise to second the nomination of Mr. Pinckney. Mr. Pinckney is a man who all through his career has occupied positions of high trust, having been President of the Missouri State Board in 1892 and 1893, and upon the Executive Committee of the Missouri State Board for the last ten years, and in his capacity as field man his connection has been with good companies that have always followed the teachings and precepts of which this Association has been the exponent from year to year. Mr. Pinckney has always been found on the right side in underwriting and looking towards cordial coöperation, which this Association means, if it means anything. His associates in the State Board manifested their kindly disposition towards him in making him their prime officer. If our next meeting should be held in the city of Omaha, it seems to me very desirable that our executive officer should come from that State, or one of its suburbs. I therefore take pleasure in seconding the nomination of Mr. Pinckney.

Mr. Otto Greely—

I take pleasure in seconding the nomination of Mr. Pinckney, but Mr. Eddy has taken from my mouth what I would say. A great many years ago he came to us, and we have never known anything but good works from Mr. Pinckney.

Mr. Frank Whitney—

I also take pleasure in seconding the nomination of Mr. Pinckney for President of this Association, having known the gentleman for a number of years, and knowing him to be a man whose loyalty is unquestioned, I think this Association could no better honor itself than to unanimously accept Mr. Pinckney as the nominee for President for the coming year.

Mr. Henry A. Dike—

The principle of fair play is the basis of all that is true among men. The majority on this floor will remember that a few years ago Mr. Pinckney was a prominent candidate for the office of President, and he made a very graceful speech in behalf of the successful candidate. In recognition of the principle just alluded to and in recognition of his ability as a man among insurance men, and his fitness for the office, without saying anything to disparage anyone who may be put forth here as a candidate, I most heartily, in the name of the State of Iowa, second the nomination of Mr. Pinckney, of Kansas City, as President of this Association.

Mr. M. H. N. Raymond—

Mr. President, while I have no word to say against Mr. Pinckney or any other gentleman that may be named for President of this Association, I still feel that there are others. I have in my mind the name of a man well known probably by a majority of the members of this Association. While it is not my purpose to extol his merits or to say what a good fellow he is or has been, or what ought to be done for him, I will simply present the name of our old friend and co-worker, Joseph H. Lenehan, and ask, Mr. President, that in a spirit of fair play it may be shown that he has some friends in this Association.

(Applause.)

Mr. R. S. Odell—

Mr. President, while, as my worthy friend says, I have not a thing against Mr. Pinckney and have known him for a great many years, yet there are others, and I rise to second the nomination of our friend Joe. We all know him, and all that know him love him. He is a gentleman, a man of honor among men, and if elected as President of this Association he will be an honor to us. I second his nomination.

(Great applause.)

The President—

Are there any other nominations? If not, we will proceed to ballot.

Mr. W. E. Page—

Mr. President, I believe it has been properly said a number of times on the floor of this Association, that we should love rivalry among members for the high honor of the Presidency of this Association. The gentlemen already named doubtless have the respect of all the members, but as our friends have said, there are others. We have in the Northwest a young man who, amongst his friends, has earned an enviable reputation. He is probably not as widely known as the gentlemen mentioned, but he is in every sense a gentleman and very capable. He is the representative of one of the foremost companies of the country, and in behalf of his friends in his section I desire to present the name of Mr. John E. Davies, of Racine, Wis., State Agent of the *Ætna* of Hartford.

(Applause.)

Mr. W. L. King—

Mr. President, I desire to second the nomination of Mr. Davies.

The President—

I appoint Messrs. M. H. N. Raymond, Thomas H. Smith, Geo. W. Hayes and Henry W. Carlisle as tellers. They will proceed to distribute the ballots.

The President—

If everybody has voted, I would suggest that while the tellers are counting the ballots for President, there be nominations made for Vice-President.

Mr. Holger De Roode—

I move that the unsuccessful candidate be nominated for Vice-President.

The President—

There are three running; you cannot do that very well.

Mr. H. C. Eddy—

There are those here who prefer that the election of Vice-President be postponed until the President is chosen, as it might change the vote.

The President—

We may take up the nomination for Secretary.

Mr. Eugene Harbeck—

Mr. President, I believe seven years is the allotted time for a man to serve this Association as Secretary. Mr. Griffiths served it seven

years and Mr. Munn has served for the last seven years, and now comes Mr. Griffiths' time again, I think, and I take great pleasure in nominating Mr. J. C. Griffiths as Secretary of this Association for next year.

Mr. W. R. Townley—

As we enjoy friendly rivalry, I wish to place in nomination the name of one who is probably as well known throughout the Western States as any member of this Association; and I say with a great deal of feeling and earnestness, that there is not a crooked hair in his head—Mr. D. S. Wagner, as Secretary for the ensuing year.

Motion made, seconded and carried that the nominations for Secretary be closed.

The President—

I will appoint as tellers for the election of Secretary Messrs. J. W. O'Brien, C. L. Whittemore, Chas. H. Barry and E. P. Foreman.

The President announced the total number of votes cast as 222, of which Mr. Davies received 14, Mr. Pinckney 86, and Mr. Lenehan 122.

A Member—

I move that the vote for Mr. Lenehan as President be made unanimous.

Motion seconded and carried unanimously, and Mr. Lenehan was declared elected to the office of President of the Association for the ensuing year.

The President—

Nominations for Vice-President are now in order.

Mr. T. H. Smith—

I move that the rules be laid aside and that the Secretary be instructed to cast the ballot of this Association unanimously for Mr. Jno. E. Davies for Vice-President for the ensuing year, and that nominations for Vice-President be closed.

Motion seconded and carried unanimously, and the President announced the election of Mr. Jno. E. Davies to the office of Vice-President for the ensuing year.

Mr. R. S. Odell—

I move that Mr. Joseph A. Kelsey be elected Treasurer for the ensuing year, and the nominations closed, and that the Secretary be instructed to cast the ballot of this Association unanimously for his election.

Motion seconded and carried unanimously, and the President announced the election of Mr. Joseph A. Kelsey to the office of Treasurer.

The President—

Gentlemen, I wish to take this opportunity, while the vote for Secretary is being counted, to thank the Association once more for the honor they conferred on me by electing me their President. I wish also to thank you for the hearty coöperation which you have extended to me throughout this meeting. If the meeting has been a success, I feel fully repaid for all my efforts. I thank you, gentlemen.

(Applause.)

Mr. Geo. M. Lovejoy—

I desire to move a vote of thanks to our retiring President for his services in preparing for this meeting. I think it fitting, perhaps, that I should make this motion, realizing something of the enormous labor he has performed.

Motion put by the Secretary, seconded and carried unanimously.

The President announced the total number of votes cast for Secretary as 196, and Mr. D. S. Wagner as having 118, and he was declared elected to the office for the ensuing year.

The President—

The Chair would like to appoint a committee, consisting of Messrs. Lovejoy and Harbeck, to escort the new President to the chair.

(Great applause.)

(Calls for Mr. Lenehan.)

Mr. Eugene Harbeck—

Acting under your instructions, we have the pleasure of introducing Mr. Lenehan, the newly-elected President of the Fire Underwriters' Association of the Northwest.

(Great applause.)

Mr. Jos. H. Lenehan—

Mr. President, Gentlemen of the Fire Underwriters' Association of the Northwest: I am deeply grateful for this mark of consideration. There is very little, I think, to be said at this time, and, in fact, I am not one of those that can express what they feel at times like this. All that I can say is, that in taking up the burden that the retiring President lays down, I will endeavor to perform the duties of the office to my best ability. I know that out of the kindness of your hearts you will overlook the many shortcomings which no doubt I will

be responsible for, but if I do the best I can, I am sure that is all you will ask of me. I thank you very much.

(Applause.)

Mr. Geo. W. Hayes—

I move a vote of thanks to our retiring Secretary, Mr. Munn, for his work for seven years for this Association. I am sure it is a great task, and he has performed his work well and satisfactorily.

Motion seconded and carried unanimously.

(Calls for Mr. Davies.)

Mr. John E. Davies—

Mr. President, Gentlemen: I presume that a confession of weakness is excusable at times, and I can only say that just now words do not come to me by which I can express my gratitude to you for the honor that you have bestowed upon me in electing me Vice-President of this Association. I think really that it is an honor that is beyond my own personal worth, and can only attribute it to my connection with that grand company, the *Ætna*. I thank you, gentlemen, for the honor, and so far as I can be of assistance to your worthy President, I shall be. I thank you.

(Applause.)

(Calls for Mr. Wagner.)

Mr. D. S. Wagner—

Gentlemen, I am not a speech-maker, but I can say this: From my heart I thank you very much for the honor you have conferred upon me. With the assistance of the gentlemen who are here with me, and with the indulgence of all the members, I shall try to perform the duties to the best of my ability. I thank you.

(Applause.)

A Member—

I move, if there is no further business, that we adjourn *sine die*.

Motion seconded, put, and carried unanimously, and at 5:30 P. M. the Twenty-Eighth Annual Meeting of the Fire Underwriters' Association of the Northwest stood adjourned.

MEETING OF THE BOARD OF DIRECTORS

Present: Messrs. S. E. Cate, J. H. Lenehan, J. A. Kelsey, R. L. Raynolds, M. W. Van Valkenburg, John E. Davies, D. S. Wagner, G. H. Moore, and E. V. Munn.

Meeting called to order by Mr. J. H. Lenehan, President.

Mr. Cate moved that the Board of Directors approve the election of Mr. J. H. Lenehan as President of the Fire Underwriters' Association of the Northwest for the ensuing year.

Motion seconded and carried unanimously.

Mr. Raynolds moved that the Board of Directors approve the election of Mr. John E. Davies as Vice-President of the Fire Underwriters' Association of the Northwest for the ensuing year.

Motion seconded and carried unanimously.

The Secretary thereupon declared the election of Mr. J. H. Lenehan as President of the Association for the ensuing year, and of Mr. John E. Davies as Vice-President of the Association for the ensuing year, as duly ratified by the Board of Directors.

On motion of Mr. Raynolds, duly seconded and unanimously carried, Mr. D. S. Wagner was declared elected as Secretary of the Association for the ensuing year.

Mr. Cate moved that the Board of Directors approve the election of Mr. J. A. Kelsey as Treasurer of the Fire Underwriters' Association of the Northwest for the ensuing year.

Motion seconded and carried unanimously.

On motion, duly seconded and unanimously carried, Messrs. H. C. Eddy, R. J. Smith, D. S. Wagner, E. V. Munn and the President (Mr. J. H. Lenehan) were declared members of the Library Committee for the ensuing year.

Mr. Kelsey moved that Mr. Cate, the President (Mr. Lenehan) and Mr. Moore constitute the members of the Finance Committee for the ensuing year.

Motion seconded and carried unanimously.

Mr. Munn moved that the salary of the Secretary for the ensuing year be the same as formerly, viz., \$300.

Motion duly seconded and carried unanimously.

Mr. Munn moved that the Association have 800 copies printed of the Proceedings of this year.

Motion seconded and carried unanimously.

Mr. Cate moved that the bids for the printing of the Proceedings be submitted to the Finance Committee, to be passed upon by them at a future date.

Motion seconded and carried unanimously.

Mr. Cate moved that the salary of the Treasurer be fixed at \$100, and that he be allowed that amount for last year.

Motion duly seconded and carried unanimously.

Mr. Raynolds moved that the President and the Treasurer be empowered to pay Mr. George Adams a sum not to exceed twenty-two dollars for attending the door during the convention of the Association.

Motion seconded and carried unanimously.

On motion of Mr. Cate, the Board adjourned subject to the call of the President.

BANQUET.

After finishing the menu, at about 9 P. M., the retiring President, Mr. Geo. H. Moore, called the guests to order and made the following remarks:

Ladies and Gentlemen: It is my privilege and pleasure to bid you all a cordial welcome. We have gathered around the festive board this evening to celebrate the closing of one more of the many enjoyable meetings this Association has had. And now that we have regaled ourselves on the more substantial viands, the next thing in order will be a feast of reason, a flow of wit and good music to stir the soul.

We have been very fortunate this evening in the selection of our Toastmaster. Those of us who know him best, who have accepted his hospitalities and have joined him around the festive board, can assure you that there is no member of this Association better qualified to fill the position, and no one that can do it any more gracefully. He is a man whom you all know and delight to honor. I take great pleasure in introducing to you Mr. Eugene Harbeck, who will act as Toastmaster of the evening—

“For he is a jolly good fellow which nobody can deny”.

(All standing joined in the song.)

(Applause.)

(Cries throughout the Banquet Hall: “What is the matter with Eugene Harbeck?” “He’s all right.”)

The Toastmaster—

Ladies and Gentlemen, Mr. Ex-President: It was my purpose to extend the glad hand of fellowship and welcome to this assembled audience, but our good friend has done this and spoiled the first part of my speech.

I had a distinct understanding with Mr. Moore when I accepted this position that I was not to make a speech. He came to me and asked me to act as Toastmaster for this banquet. I said, “Mr. Moore, I never presided over a large audience. I have dined with my friends when I occupied the position at the head of the table, but I do not feel myself competent to make a speech.” “Why”, he said, “what are you thinking about? You can’t get up there and make yourself the whole thing! We don’t want you to make any speech. What we want you to do is to exhibit the animals—to see that the program is carried

out, look after Harry Eddy, Bob Smith, and the rest of the unruly fellows—call the police, if necessary.” Consequently I have no speech to make. My duty is to get the other people to talk.

The program is somewhat different from those we have had on previous occasions. We shall have more music than usual, and I judge that this audience is now in condition for music. The hearts here seem attuned aright to-night. We want just as little dry shop and statistics as possible. Those of us who have met together in this room for the past two days have listened to some of the very best papers I have ever heard. We have all of that we can digest, and it is well we come from labor to refreshment.

At one of our previous meetings—I will not venture to say which—a charming lady, whom we all respect and admire, who had become interested very much in the insurance business by marrying one of our esteemed confreres, told us what she knew about our Special Agents. As the gentleman whom she married is a General Agent of a prominent company, I thought she might give us something more of the story to-night, and she has very kindly consented to answer to the toast, “The General Agent.” I have the pleasure and the honor of introducing to this audience Mrs. I. S. Blackwelder.

(Applause.)

Mrs. I. S. Blackwelder—

Mr. Toastmaster, Gentlemen and Ladies: It is to be assumed that this toast was arranged for by some of the Managers themselves, who, fearing lest they might be *roasted* instead of *toasted*, chose a lady for the response, because our sex is credited with the housewifely accomplishment of toasting without roasting.

I have not been informed by the powers that be, as to the kind of General Agent or Manager I am expected to speak about. We all know that there are managers and managers, but at such a time as this we may be pardoned for forgetting that there is anything else in the world except fire insurance that requires managing.

In the first place, let us consider what must be the conception of the distant Local Agent as to the personality of his chief at headquarters. He doubtless fancies him to be a haughty, autocratic being, who sits in a richly-furnished inner sanctum very difficult of access. From here emanate, from time to time, disagreeable communications in regard to certain obligations which the agent has forgotten to attend to, closing with the stereotyped phrase, “Please remit.” Also those yellow-winged messengers of evil which read something like this: “Cancel policy No. ——. We do not write that kind of business.” These are things that try agents’ souls. He forgets that the Manager or General Agent, no matter how absolute his authority may be on La Salle street, is himself subject to a higher power, residing in New York, or Hartford, or Glens Falls, or some other insurance center. But there is still another more potent factor in his life. When he

reaches the bosom of his family, his "ain fireside," he must leave behind him all airs of authority, for there he encounters the real manager. The skill, the patience, the intellectual power required in the management of a house and family is not less than that needed for carrying on the business of an insurance company.

I find myself drifting upon the woman question, a subject which should, of course, be left for the gentlemen to attend to. However, for fear they will fail to speak of this matter, I want to remind you of the many faithful successful Local Agents who are women. I have heard Managers speak in the highest terms of some of these agents, and I am sure the "Specials" have a tender regard for many of them. Now, why do you not graduate the best of these into the fields, having due consideration, of course, as to good looks and taste in dress? Women are making good records on the road in other lines of business, and there is no doubt in my mind that they would have rare success in this. I venture to predict that, with the opening of the 20th century, women will be regarded as the best Specials in the field. You all know what becomes of the best Specials. It is from these that the managerial ranks are recruited.

You have noticed in the Chicago papers of this week that a woman has been entrusted with the job of keeping our down-town streets clean, and we all believe she will do it. A woman is strongly recommended for the position of Chief of Police in Denver. Now, my point is this: If a woman can do what no man has ever done, clean the streets of Chicago, and if a woman can succeed in raising the standard of morals in Denver, there is no reason why she should not manage, to the entire satisfaction of the stockholders, the affairs of an insurance company.

(Applause.)

The Toastmaster—

In looking over a memorandum which I have in my hand, it just occurs to me that the editorial fraternity has quite a share of the honors. The next gentleman who will speak to us is the editor of that sheet which is rapidly increasing in circulation and popularity, known as the *Oriflamme*. Incidentally, he is connected with the Springfield Fire and Marine, but it is as an editor and literary man that he really shines, or at dinners that are not too dry. I have the pleasure, ladies and gentlemen, of introducing to you Mr. A. F. Dean, Assistant Manager of the Springfield Fire and Marine Insurance Company, and editor of the *Oriflamme*. He will speak to you upon "Evolution in Fire Insurance and Fire Insurance in Evolution".

Mr. A. F. Dean—

Mr. Chairman, Ladies and Gentlemen: There's nothing spoils the appetite of a modest man so much as the knowledge that he is to be called upon for a few after-dinner remarks.

I am told that a certain "old and tried" General Agent of this city, who devotes his time about equally to the capture of souls and dwelling risks, was recently entertaining his Sunday-school class with the story of the Prodigal Son. Wishing to point a moral from the selfish conduct of the elder brother, he said: "Now, children, there was one to whom the preparations for the feast brought no joy; one whom the prodigal's return gave no pleasure, only bitterness; one who did not approve of the feast and had no wish to attend it. Who was it?" A little hand popped up and a piping voice called out, "Please, sir, it was the fatted calf." Now I should have unhesitatingly said, "Please, sir, it was the fellow who had to make the after-dinner speech." The description fitted him exactly, and I do not believe he really enjoyed the dinner any more than the calf.

I understand that your orators are strictly limited to five minutes. Evolution is a pretty comprehensive subject for a five minutes' discourse, though it does not follow that I shall not be able to tell you all I know about it within the time limit, with possibly a minute or two to spare. Darwin lived to a good old age, but it took him all his life to say what he knew about evolution. Herbert Spencer has been "at it" for the past forty years, and still seems a good way from his "finis". Should I succeed in telling you in five minutes what I know about evolution, it would show how far superior, in point of brevity at least, an insurance man can be to a philosopher, for an insurance man knows that "time is money", while to your pottering philosopher a period of twenty or thirty million years affords a mere breathing spell in which to catch his second wind. The creation of the world is modern history to the evolutionist, for he begins his story away back in the time of Nox, and primeval chaos and life is not long enough for him to spin his yarn.

According to the evolutionist, there is no such thing as a Special Providence, for the great Original Cause laid down a set of rules at the start by which all created things were to be governed. These rules are tacked up, as it were, in each room for the information of guests in the "Hotel Universe".

"Don't blow out the gas."

"This hotel not responsible for valuables unless deposited in the office safe."

"Ring once for ice water, twice for towels, three times for the chambermaid," etc.

(You field men know the balance of them.)

The evolutionist demonstrates, to his own satisfaction at least, that all space is permeated with atoms; how each atom is imbued with incessant vibratory motion—a sort of itch for dancing; how, from time to time, a crowd of congenial atoms organizes a select dancing party, hires the orchestra which makes the music of the spheres and begins a sort of cosmic "hands all 'round", several billions of miles in diameter; how, as the whirl waxes more furious, the mass assumes

a shape similar to the 39 cents which, by courtesy, is still called a silver dollar in this country; how things get red hot, and great chunks of glowing gases drop off from time to time; how these masses waltz off by themselves and gradually cool down from the gaseous into the liquid and solid state, and finally settle down into a family party of steady going planets, with a central orb at the head of the family, who, by a singular inconsistency, instead of being called the father, is called the "sun."

After all this long story, the evolutionist has only reached the epoch when life began on our planet, which was some hundreds of millions of years before Adam and Eve. The evolutionist doesn't tell us how life originated, but a little omission of this kind is quite immaterial in so long a story. In any event, with the beginning of life the play-time of the frisky atom was over. Life harnessed him and put him to work shovelling protoplasm into a bag, and when he had got a sack of protoplasm together it became an ovum or egg, and the egg hatched out a chicken or something, or maybe the chicken or something laid the egg. (Evolutionists are not quite certain whether the first chicken laid the egg, or the first egg hatched the chicken.) Anyway, the evolutionist finally gets hold of something *alive* and is ready to settle down to his real story which, after his long preamble, reminds one of the old lady's description, on the witness stand, of the fight at a Fourth of July picnic.

"Well, Jedge, the fust I knowed about it was when Gene Smith called Bob Harbeck a liar, en' Bob knocked him down with a stick of wood. One of Gene's friends then hit Bob with a knife, an' somebody sliced a big chunk out of Sim Littlejohn. Wiley Blackwelder, who was a friend of Sim's, then shot t'other fellow in the neck, and two more shot him, and three or four others got carved right smartly by somebody. That naturally caused some excitement, Jedge, and then they commenced f'tin'."

We must admit, however, that the best part of the evolutionist's story comes after life has begun, for he tells a most ingenious and romantic tale of life's lowly beginning, as a mere globule of vitalized protoplasm; of its struggles, trials, and aspirations; of its ambition to rise in the world—to become something or somebody, and of its ultimate triumph in at last reaching the top of the ladder and becoming the rarest work of God, an honest fire insurance man. We are told how the helpless, motionless molecule of protoplasm, when cast upon the cold shores of time, and confronted with the necessity for subsistence, defense and transportation, is furnished, as the need arises (by means of definite and eternal natural laws), with the tools, weapons and means of locomotion necessary for it to transact business; how these natural laws have engendered an endless and amazing differentiation of species; how the first family of protozoans, radiates, mollusks, articulates and vertebrates originated and multiplied and replenished earth, air and water with manifold life.

We, as fire insurance men, sit here to-night with the proud consciousness that we belong to the ancient and blue-blooded family of vertebrates. A vertebrate, you know, is a creature with a spinal column, and though our backbone isn't much to brag of; though we frequently exhibit unmistakable traits of the crawfish (a member of the articulate family noted for its habit of crawfishing out of things), we nevertheless belong to the old family of vertebrates, for the evolutionist tells us so and traces our ancestry for us clear back through the common, every-day man, on down through the ourang outangs, protozoans, political wiggle-waggles, and other lower orders of life; clear back to the original atom that once tripped the light fantastic toe to the music of the morning stars, at a time when the Adam of the theologian and the atom of the evolutionist were one and the same.

We gather here to-night as members of the gregarious sub-species of the *genus homo*, known as the fire insurance man, and we should find much comfort in the doctrine of evolution now accepted by the greatest scientific minds of our time, because it is a doctrine that teaches us that we and our vocation are the inevitable results of cosmic forces. We are here because eternal laws put us here and made us what we are. The force which causes our earth to wheel about the sun—and the sun and millions of other suns, with their retinues of teeming worlds, to revolve about some great central orb—is no more inexorable than the necessity which has created the insurance man and his occupation. Let the political wiggle-waggles and other small deer, that infest the insurance man and his business, annoy—they cannot destroy. In the Eternal Supreme Court, any law, state, county or municipal, that bumps against the laws of Cosmos, will get the worst of it. Nature watches over us all and provides the needful means of life, and Nature will eventually provide relief from the parasites that infest us, even if she has to equip us one and all with a fine toothcomb—so says Evolution. But, as in the fable of Hercules and the Wagoner, Nature helps them who help themselves. The "survival of the fittest" is a law of evolution. Whether fire insurance shall evolve forward or backward, settle down into the condition known as "arrested development", or vanish from the face of the earth; whether we, as fire insurance men, shall prove our membership in the family of vertebrates or revert back among the shifti crawfishes, depends in part upon the backbone we are able to show. Fire insurance is the legitimate child of Evolution, and its mission is in harmony with human progress, but its future state and future fate are largely in our own hands as Managers, Field Men and Local Agents. Personally, I am optimistic enough to believe that the things which are now giving us the greatest concern are conspiring together for our common good. I have a profound conviction that we are on the eve of important changes in our business, and that the next move will be a long step forward. The blood of the martyrs is

said to be the seed of the church. The pressure of public prejudice, fomented by interested parties, is forcing us into closer personal relations, developing a higher standard of mutual good faith and bringing about reforms that have, in the past, been impossible on account of jealousies and mutual distrust. There is already evidence that we can present a stronger front against the evils that menace us from within; evidence that the important question of rates is about to receive the careful attention it should, and probably would have received long ago but for the very jealousies and suspicions which have been so perceptibly allayed by a common danger; and that a plan of making rates will be evolved which will rest upon the broad basis of united experience—rates that will be equitable as to classes, and command the respect of all. There is also evidence that our legal status and rights are being forced upon the attention of the national courts, and will soon be better defined and better protected. These things encourage us to believe that the sun still shines behind "the cloud which lowers o'er our house", and that the unchangeable laws of Cosmos have us safely in hand. The indirect manner in which these blessings in disguise have come to us reminds me of an incident of which our worthy retiring President was the hero. The story is an old one, and has no particular merit except in showing how "to the good all things conspire together for good".

A long time ago when James Moore was a boy and lived over in Michigan (somebody interrupts me to inform me that Mr. Moore's name is George and not James, but this event I am about to relate was a long time ago, before Mr. Moore left Michigan and changed his name); as I was saying, when Jimmie, alias George Moore, was a boy, he was returning home one evening from the baker's with a loaf of bread. As he was passing by a cabin where a poor old widow lived all alone he heard her praying earnestly to the Lord to send her something to eat, if it was only a loaf of bread. Jimmie hastily scribbled on the outside of the package, "The Lord be darned! This is from Jim Moore", and tossed it through a broken window into the room and ran. The widow's devotions were changed into thanksgiving services in the twinkling of an eye, but while tearing the wrapper off the loaf she discovered the wicked superscription. Her faith in a Special Providence was wrecked. "To think that that onery Jim Moore should play such a trick on me!" she exclaimed, and opening the loaf she soliloquized, "It looks fit to eat anyhow, an' I guess I'll eat it." She munched the bread for a few minutes, ruminating on the mysterious ways of Providence, and finally ejaculated, "Well, I don't care. It's good bread, anyway, and the Lord sent it even if the devil did bring it".

(Great applause.)

The Toastmaster—

Our next is a song, "Sweet Sixteen", by the doorkeeper of the

Phenix, 205 La Salle street. Mr. George W. Henderson, will sing the song, and we are all to join in the chorus.

(Song.)

(Applause.)

The Toastmaster—

Now, ladies and gentlemen, we will inflict one more editor upon you for five minutes only. I have the pleasure of introducing to you Mr. Garrett Brown, of Denver, editor of *The Insurance Reporter*.

(Applause.)

Mr. Garrett Brown—

Mr. Toastmaster, Ladies and Gentlemen: I am frank to tell you that I had expected to make a speech on this occasion. Something like six months ago a gentleman came into my office in Denver and told me that he intended to have me invited to make a speech at this meeting. I, of course, supposed that I would be expected to deliver this address before the business meeting, and to that end went to work and prepared one of two or three hundred pages of closely written matter, with which I hoped to create a sensation and maybe make a reputation. I, however, in a moment of forgetfulness, submitted a copy of my speech to my esteemed contemporary of *Once-in-a-While*, General Smith, and asked him to criticise it. After keeping it for about two months it was returned with every page, except the first and the last, blue pencilled, and with this marginal note: "I have cancelled on the basis of 16 to 1, and I think if you will deliver this properly you may make a hit on what is left".

I ought to have known better, ladies and gentlemen, than to have submitted my address to a man who is running an opposition paper. I realize that I have in him the strongest opponent in the business. He not only publishes one of the best and brightest papers, but, bless your soul, he sends it out free and pays the postage on it. How I am to meet this competition I am unable to determine.

Now, I know, as a rule, ladies and gentlemen, that writers of insurance papers are expected on all occasions to say something funny, and I imagine this comes from the fact that they have such cheerful subjects to deal with. You can readily understand how such a man would go around always with a stock of fresh anecdotes—a man who is called upon to deal almost constantly with death losses, cyclones, conflagrations, tornadoes, railroad accidents, steamboat explosions and such like cheerful subjects, could never be otherwise than gay.

I rarely ever attempt to tell a joke. I did once, however, in Denver, try to get off one of Mooney's jokes (Mooney of the Phenix). I was going down the street with a pair of shoes under my arm, when I met Mooney, who said: "Hello, Garrett! Where did you get your new

shoes?" "Round in the alley", said I. "Well, they must be alligators", he replied. I thought that a pretty good joke, and going up the street I passed in front of the Brown Palace Hotel.—Now, ladies and gentlemen, allow me to digress for just one moment for the special benefit of the Managers here to-night. I want it understood distinctly that I am not the Brown who owns the Brown Palace. I am not living in a palace in Denver, nor do I want to do so. The height of my ambition is to have a little red hut on Pike's Peak, and I have the assurance of members of the daily press and the insurance press, of Chicago, that, once I get the material for the hut, they will furnish the red paint. So far as my observation goes, I have no doubt but that these gentlemen can give it the proper color.

I was very much gratified to hear Mrs. Blackwelder refer to Denver. I think, however, she fell into error when she stated that the morals of the people of Denver could be improved. I don't think the morals of the Denver people can be improved. The bare idea that a woman has been appointed Chief of Police of that city (if such is the case, and Mrs. Blackwelder says it's a fact) is sufficient evidence of itself to testify to the high degree of morality to which the men of that city have attained. Indeed, I consider it as nearly perfection as it is possible for mortals to approach when they can be ruled by women. By the way, since Mrs. Blackwelder has seen fit to deal with comparisons, I want to say that, from my observation and experience in Chicago, I think the morals of this place might be greatly advanced by the appointment of a woman as Chief of Police in every precinct in the city.

Now, ladies and gentlemen, I suppose it will not be out of order if I talk a little seriously for just a few moments. Underwriters are known the world over as men who love, more than all others, to deal with cause and effect. I remember once, while living in the South, that a peculiar hazard arose down there, known then as the "Nigger Hazard". It came about in this way: The negroes down there use their heads as match-boxes, and upon several occasions, while working in cotton warehouses, they had been known to cause fires by allowing matches to drop from their heads upon the floors, and to become ignited by the heavy cotton trucks used in moving the cotton, thus causing tremendous losses in cotton warehouses. This state of things created considerable excitement among Eastern and Western Underwriters who were unfamiliar with such conditions, and brought about a flood of letters of inquiry addressed to Southern agents. The burden of these letters was not so much as to how the fire might be caused under certain conditions by a match coming in contact with the wheels of a truck in the cotton warehouse; indeed, these Managers said that they knew that a match could in that way become ignited, and would do so, whenever the peculiar conditions existed. But, said they, "Tell us where the nigger with the kinky head that carries the match comes from? Once this fact is established, we can cut off the supply and eliminate the source of danger".

That was a puzzler. I remember that Mr. H. C. Stockdell read an able paper on the subject before the Southern Tariff Association some years ago—a paper that created more than a little excitement at the time throughout the country—but the matter still remains unsolved. I have prepared a dissertation dealing with this matter for the next number of *The Insurance Reporter*. I think I have some advantage over most writers on this question, from the fact that I knew quite intimately, in my early days, an old negro whose appearance indicated that he was somewhere in the neighborhood of the Garden of Eden when the Creation took place. He told me where the negro came from, by accounting for the existence of the white man. Indeed, gentlemen, this old friend of mine claimed, and proved, as I think, conclusively, that our first ancestor, Adam, was a negro. Now, let me hope that this information will not upset anybody's family-tree in this gathering.

Now then, let me, as nearly as I can do so, give you the old negro's theory of the Creation: "When de Lord had finished his wuk he made a Ga'd'n, and in de Ga'd'n he placed a man, and he called dis man Adam, bekase he was a nigger. And de Lo'd said to Adam, 'Now, Adam, you can have eberyting you sees in dis Ga'd'n, and you can go 'round an' sashinate you appetite on anyting you sees fit, but dar am one ting dat I is asking you to do, an' dat is, don't you nebber tetch dem horse apples, bekase dis horse apple fruit I'se reza'b'd for my own special benefit'. And Adam 'lowed he wouldn't. And de Lo'd he went away, and Adam he kep' walkin' 'round in de varigatedness ob de boulevards ob de Ga'd'n ob Eden, eatin' watermeliyons and all sich like things. Dar was no restraint on him whatsoever. When he wanted a watermeliyon he didn't go sneakin' up to de fence and snatch one; he jist gets ober dar and busts open all de meliyons he wants and eats his fill. An' when he wants fried chicken, bless your soul, he don't go by de light ob de moon and creep fro' de bushes and snatch a chicken; he goes right up to de house in de broad sunlight and picks out de nicest pullet he finds and fries an' eats him. But yet Adam, with all dis blessedness, was not satisfied; he was longin' for somethin' more. The confamilarity of the stupendousness of the Ga'd'n of Eden took away the superfluity of his appetite and made eberythin' so obnoxious dat he longed to try one of dem golden-faced ho'se-apples. One day while passing the tree he says to hisself, I will just take one apple and nobody can eber be de more wiser. But when Adam eat de apple, bless your soul, he done get right scart, an' he went off an' hid hisself. Den early in de mawnin' when de dew was on de bushes and de blackbirds was singing in de trees, de Lawd came into the Ga'd'n ob Eden, an' he missed Adam, and he called for Adam, 'Oh, Adam, Adam', but Adam he laid low. Den de Lawd walked 'round to de watermeliyon patch, thinking Adam must be aroun' dar, eatin' watermeliyons, and he called out again, 'Adam, Oh Adam', but Adam he laid low. Den

he goes ober to de chicken coop, and thinks for sho' Adam must be dar this bootiful mawnin' eatin' chickens, and he called, 'Adam, Oh Adam', but Adam laid low, and he goes down a little further and he sees a lot of bushes shaking, and he pulls dem down, and dar was Adam, all scart and tremblin'. And de Lawd says to Adam, 'Come out from dar, yo' black rascal; I knows what you'se been doin'; you'se done gone and eat dem hoss-apples,' an' he pulled Adam out and de nigger was so scart that he turned white, and dat's whar all dis white trash comes from."

(Great applause.)

The Toastmaster—

Now we will switch off from editors. We have with us to-night the Honorable William A. Fricke, Insurance Commissioner for the State of Wisconsin.

(Applause.)

Mr. Wm. A. Fricke—

Mr. Toastmaster, Ladies and Gentlemen: I suppose that I am to demonstrate that an Insurance Commissioner, like some of the editors of the insurance press who are not present at this meeting, requires no knowledge of the subject to talk insurance. But, perhaps, gentlemen, your Toastmaster desires to exhibit me as a living example of the necessity of national supervision. If I should make a good speech, I should probably present some excellent arguments why the politicians should be wiped out and a Federal department instituted; and if I fail, I would present another argument—how ridiculous is State supervision. But I am not going to roast the Insurance Department to-night; it is the other fellow's turn. And I want to say to you that, while attending a recent convention of Insurance Commissioners at Old Point Comfort, there was nothing that struck me more forcibly than the fact of the earnestness and desire on the part of these men to do just exactly what was right, and I have learned since I came to Chicago that some who were not there are considered great men at home. Eddy F— told me he met a farmer on the train who got to talking about the last election, and the farmer told him about William J. Bryan, what a great man he was. All of you who know Eddy, know how he likes to draw out people and joke them, and he asked the farmer whether he thought Bryan was a bigger man than McKinley. Why, the farmer thought that the indications of last fall didn't prove that McKinley was a greater man than Bryan; that farmer tried to make out that Bryan was a bigger man than Henry Clay or Daniel Webster, and that General Grant wasn't in it; and Abraham Lincoln, if alive, could thank God that Bryan was only a boy in his time; and George Washington only had the advantage of being born sooner than Bryan was. Eddy says, "Where did you come from?" "Kansas", says the farmer. "Well", says Eddy, "Do you think he is a bigger man

than McNall?" That seemed to puzzle the farmer, and he says, "I wouldn't say as to that, but you know Bryan is young yet." (Applause.)

But, gentlemen, you ought not to feel hard towards these Insurance Commissioners. Now, we have read in an authority on fire insurance that the fellow who had his head cut off and afterwards had it stitched on again told a story of how he traveled through Elysian fields and through h—l, and that it was the custom there that everybody had to do just the opposite of what he did on earth. Just stop and think one moment. Imagine General Smith examining the Insurance Commissioners, and insisting upon prompt payment for the examination! Think of Eugene Harbeck denouncing the other fellows, and the gentleman of the Springfield Fire and Marine saying to Webb McNall, "What in h—l are you, an insurance tornado?" Or Charles D. Cox complying with the insurance laws; or an insurance editor writing really upon a subject that bears some relation to insurance—telling the truth about the Wisconsin Commissioner! But now seriously, gentlemen, do not you believe that you are to blame a great deal yourselves for this feeling of suspicion that exists among people of this country towards the insurance companies? Why, if any of you were to go to Minnesota and try to open a barber-shop you would have to pass an examination; if you came to Milwaukee and wanted a man to lay pipe, you would have to pass an examination as a plumber; and if you come to Chicago and want to peddle tinware, you must pass an examination; but if you want to be an insurance agent, it does not make any difference whether you come from Harvard College or from jail, you can have a license. I know insurance agents that, if they spent the same time and used the same energy and determination in selling peanuts at five cents a paper bag on the street corners that they now devote to running down the other insurance company and the other fellow—I do not want to say there is anybody here who would do it, but I think I know a few men in the fire insurance business who, if a representative of some Western Insurance Department would step into the office of The Traders' Insurance Company and try to make an examination and were refused admission, and the Commissioner would revoke The Traders license on such refusal—I believe there are fire insurance agents who would run around to the solicitors and try to sow seeds of distrust as to that company and switch their policies. Now then, that, perhaps, is the reason that there exists some distrust among the people as to insurance companies, and that, perhaps, is also the reason that some of the politicians who now grace or disgrace the Insurance Department cater to that public feeling. Now, it seems to me, after listening to the excellent papers that have been presented before your Association, that none of them have struck at the heart of the evil, and none of them have suggested the remedy that ought to be applied. In one of your papers the suggestion was made that it was a good thing

that Legislatures did not meet but once in two years; that that was only half as often as they used to meet, and that led me to think what a great power the representatives of the insurance interests were in this country, and how, undoubtedly, they could change to good all the evils that now they complain of. I am somewhat of a reformer myself, and especially in politics. I believe thoroughly—honestly and sincerely believe—that the great mass of the people is honest and approves of honest methods, and I believe the first thing to do is to secure an honest, clean, primary election law, as we have done part way in Wisconsin, so that honest men may be selected for offices. Then, the whole method of legislation is wrong, and we find vicious legislation and corruption in Legislatures. My idea of the system of legislation is that these Legislatures should meet annually; that a member of the Legislature should be elected for two years. At the first session of the Legislature there should be made appropriations for conducting the State Government, the appointment of the various committees and the introduction of bills, and then the Legislature ought to adjourn. The bills presented should be printed in pamphlet form for distribution among the people. No session of the Legislature should have authority to enact a law introduced at that session except by a three-fourths vote and the consent of the governor. At the next session of the Legislature again appropriations should be made and the bills presented at the preceding session acted upon, new bills introduced, laid over until the next session. So that you would be making of every voter in the State a legislator. You would accomplish: First, that no member of the Legislature would introduce a bill until he had carefully considered the measure, because if it was an unjust or vicious bill it would mean to him political annihilation; second, you would accomplish that every voter and the press of the State would give to every measure introduced careful and thorough consideration. You would prevent the lobbyist from passing measures through the Legislature for the benefit of the few against the best interests of the many without the knowledge of even the legislator. Vicious bills are passed, vicious legislation is enacted without consideration. If you can change the method of your legislation so that every measure that is presented will receive due consideration, and that the people who are interested may have a knowledge of what is presented, you are going to do away with the root of the evil—with the pernicious legislation which has been saddled upon the insurance interests of this country. And I should like to have you, gentlemen, after you leave this hall, consider this proposition, whether it is feasible, whether it will not eradicate many of the evils which now surround the halls of legislation. Now you go to the legislator and you talk about the evils of the valued-policy law, excessive taxation, and of the laws aimed against the co-insurance clause and compacts, and he does not believe it. You are an interested party; you are one of those that come bearing gifts. But if every representative of the

insurance interests in this country would take this broad view, that the method of legislation that is for the benefit of the whole people is for the benefit of all interests, and should be so conducted that the whole people would know what is to come before the Legislature, what those legislators were to act upon at the next session, you would have no unjust legislation and you would have fair bills before the sessions of the Assemblies in each State. Now, I am deeply interested in this question of insurance. It requires a United States of America to open up the field, and the great future that the insurance interests can look forward to. Why, the very flag of this country symbolizes a religion of peace on earth, good will towards men. And I tell you, gentlemen of this Association, when this century has passed into history the brightest page will be the great good that insurance has accomplished for the human race.

(Applause.)

The Toastmaster—

Gentlemen, as a guest of the ex-President, there is a gentleman here to-night who does not know any more about insurance than a hog knows about skating, but he does know how to entertain a company of this kind by a recitation, and he has consented to give us one. The title of the recitation is, "A Skit on the Kaiser," and I take great pleasure in introducing to you Mr. John A. Lowell, of Boston.

Mr. John A. Lowell—

Mr. Toastmaster, Ladies and Gentlemen: When your Toastmaster says I know no more about insurance than a hog knows about skating he makes a mistake; he forgets that he invited me to go to your meeting this morning. I listened to papers read there, and I want you to understand that I know all about insurance. I digested all those papers this afternoon quietly in my room, and I concluded that the insurance companies do not make any money, have not made any for the last ten years, and that the only parties who do make any money out of the business are the parasites—I mean satellites; and it being the case that the insurance companies have lost all the money, the satellites must have money to burn. So you see, I know all about it.

A very bright young fellow wrote a few verses on the Kaiser. I will try to give them to you:

HOCH, DER KAISER!
From the Montreal San.

Der Kaiser auf der Vaterland
Und Gott on High all things gommand.
Ve two! Ach, don'd you understand?
Meinself—und Gott!

While some men sing der power divine,
 Mein soldiers der Wacht um Rhein,
 Und trink der healt, in Rhenish wein,
 Auf me—und Gott.

Dere's France dot svaggers all aroundt,
 She's ausgespieldt—sh'e no aggoundt
 To much, ve dinks, she don't amount—
 Meinself und—Gott.

She vill not dare to fight again;
 But, if she should, I'll show her plain
 Dot Elsass und (in French) Lorraine
 Are mein, by Gott.

Dere's gran'ma dinks she's nicht shmall bier
 Mit Boers und dings she interfere—
 She'll learn none owns dis hemisphere
 But me—und Gott.

She dinks, got frau, some ships she's got,
 Und soldiers mit der scarlet coat—
 Ach! Ve could knock dem—pout—like dot!
 Meinself und—Gott.

In dimes auf peace brebared for wars,
 I bear der helm und sbear of Mars,
 Und care nicht for ten dousand Czars—
 Meinself und—Gott.

In short, I humor every whim,
 Mit aspect dark and visage grim;
 Gott pulls mit me, und I mit him—
 Meinself und—Gott.

—A. M. R. G.

(Great applause.) (Encore.)

Mr. Lowell—

Mr. Harbeck has requested me to sing a laughing song. I do not know that I can do it, but I will attempt it. This is about a foolish fellow; you will find him in Chicago and everywhere else; everywhere it is just the same. The song is entitled, "Simon, They Call Me Simple Simon."

(The recitation was received with great applause.)

The Toastmaster—

Time flies, and up to this hour the usual toast to the ladies has not been spoken. A gentleman from the Sunny Southland, who is extremely popular with the ladies—his popularity began as soon as he arrived in the city—is with us to-night, and has kindly consented to reply to this toast. Ladies and gentlemen, I take great pleasure in introducing to you Mr. S. Y. Tupper, General Agent of the Queen Insurance Company and President of the Southeastern Tariff Association.

(Applause.)

Mr. S. Y. Tupper—

Mr. Toastmaster, Ladies and Gentlemen: I thank you most heartily, and for myself I can assure you that my feeling of gratitude is most sincere and profound. For years it has been my great desire and ambition to attend a meeting of the Fire Underwriters' Association of the Northwest, and now that I see that hope gratified I feel that my underwriting cup of happiness is full and complete. I confess, however, that in this distinguished presence I feel that I am unequal to the occasion which calls upon me to respond to so important a sentiment as that which has just been announced. I feel my weakness the more because woman has spoken herself to-night in far more eloquent terms than I can, or any other man who has had the temerity to broach the subject. (Applause.)

If I were not known so well to the Underwriting profession, I might perhaps attempt to play the gallant and speak to "bright eyes", resort to "Sweetheart at home", perhaps bring forth in praise broken verses of some forgotten couplet; but alas! I see the eye of my friend upon me, I feel the weight of years, and I know that in this presence I cannot pose in that garb. To speak to woman has been the theme of poet and the story. Why, then, should I, a humble and lowly member of this staid, every-day profession, be called upon in this, the eleventh hour, as it were, to touch upon a subject so sacred and dear to us all? I did have one friend, however, before I came into this meeting who attempted to coach me on the subject. He suggested that I might speak of the new woman, or, perhaps, if I wanted to appear a little bit comical, I might speak of the old woman. I said, No, I will not attempt that; I will speak to the young women as I see them to-day. He also relieved me of some embarrassment by giving me some verses which I deemed proper to read, which are more eloquent than anything I can now find in memory's store:

"Oh woman, whose form and whose soul
Are the light and the splendor of each path we pursue:
Whether sunned in the tropics or chilled at the poles,
If woman be there, there'll be happiness too."

(Applause.)

The Toastmaster—

Ladies and gentlemen, the next number on our program is a toast which will be responded to by that splendid gentleman and true friend of all insurance corporations, Mr. Charles A. Hewitt of Chicago. The toast is "The Field Man".

Mr. Hewitt—

Mr. Toastmaster, Ladies and Gentlemen: Of course you will not expect me to tell you anything about the insurance business when you recall that I'm an insurance editor. "What's that?" asked a man of the proprietor of a large manufacturing establishment. "That is a

standpipe", was the reply. "What's that, and that, and that?" asked the interrogator, as he pointed to a fire-door, an automatic hatch and a fire-wall. "What are those?" continued the gentleman-stranger, as he entered the office of the manufacturer and pointed at some papers in a safe. "Those are fire insurance policies", was the reply. "What's your business?" asked the manufacturer, considerably amused, and the stranger replied unblushingly, "I'm the editor of a leading insurance paper." The name of the editor is not given, but the suspicion is that he was either the brilliant editor of the *Oriflamme* or the distinguished editor of *Once-In-None-Too-Frequently*.

My toast is "The Field Man." While the field man, as we know him, is modern, his existence was foreshadowed in the very earliest times. True, there is no particular mention of him in holy writ, but there are characters of prominence who seem to strongly suggest his particular line of work.

Old Abraham suggested the field man when he stood out upon the plain "and, lo! the smoke of the country went up as the smoke of a furnace". Abraham also suggested some of the field men of the immediate future when he said unto Lot, "Separate thyself, I pray thee, from me." Laban suggested the modern Adjuster on a suspicious loss, when he went into Jacob's domicile in search of the images which Rachel had concealed. Joseph, graduated by the Potiphar, was engaged in field work, as we know, when he worked up the seven-year term business in the general agency of the king. Moses, the fire-proofer and rain-maker (if this is not irreverent), suggested the field man of the new school; Moses was also an authority on the "law of contracts," and Moses waited nigh onto forty years for promotion. Joshua, in turn, suggested the field man as a mighty warrior, as when he commanded the sun—as when he commanded an eminent English company to stand still.

And David—well, David suggested the field man as a quick worker and caretaker, when he so promptly adjusted the loss of his friend Uriah, and took complete possession of the salvage. Solomon, the great builder, suggested the field man, the great builder, when he built "all the store cities" in the wilderness, as when he built Beth-horon and Baalath, and built cities "throughout all the land of his dominion" with "walls, gates and bars." There, too, was Job (poor old Job!) who, secure in his integrity (which was about all he then had), "sat down among the ashes" and waited for his reward—probably a misprint for award. In fact, Job seems to have understood the business better than any other man of those far-off times. "What time they wax warm, they vanish", he tells us (as if writing also of "frame rows"), and "when it is hot, they are consumed out of their place." Job was particularly a terror to incendiaries. "The light of the wicked shall be put out", he says, "and the spark of his fire shall not shine". Job knew about these things, Job did, and Job knew that his fellow field men knew. Turning to them one day, he said: "No doubt but

ye are the people, and wisdom shall die with you." But enough of the very ancient. Coming down to modern times, we find that Sir Walter Raleigh was the first field man (or at least, the first Adjuster), while J. Mabbett Brown was undeniably the second, and "Uncle Billy" Foster the third.

However, all this does not so much matter. Suffice it for us to-night that the modern field men exist in numbers and exist not as insurance editors and Webb McNalls, and other "necessary evils" and "severe afflictions," but as very "necessary adjuncts" of the great business of fire insurance. And it seems to me that things have been coming their way in recent years; that they have reason to feel encouraged over recent developments and reason to be proud of the managing underwriters whom they have graduated from their ranks.

It was not always so. For long the first positions in fire insurance were occupied by men with but little or no knowledge of the business, to the exclusion, often, of better men who pressed on from behind. But it has come to pass that multiplying hazards, increasing losses and narrowing margins have left no room for merely ornamental figure-heads or know-nothing, do-nothing officials. On the contrary, the companies have come to recognize not only the wisdom but the necessity of putting only practical men on guard.

All of the recent official changes have been along this line, and all, or nearly all, of the recent general agency appointments have fallen to the practitioner, and most of those appointments, it is to be noted, have fallen to the graduates of the field—men who know the business as it is, and not as it looks on the map. In the West, at least, the field has come to be the popular path to preferment, and for this the field man should first thank the Lord and take courage, and then hold himself in readiness for the perhaps sudden occupancy (things happen suddenly these days) of a comfortable revolving chair with, say, a thick perquisite back, strong contingent arms and a fat salaried cushion.

They tell us that occupancy of a revolving chair is not so very onerous—if the occupant is a practical underwriter, qualified by knowledge and experience, and if the chair itself is well upholstered. About all a fellow has to do is to just sit there and look wise and conceal his large ignorance, while competent Special Agents, Examiners, Local Agents and long-legged clerks do all the work. Of course, there should be also a thankful man to open the daily report envelopes with a proper countenance, and a politely profane man to attend to the loss telegrams. Given these, it is easy for the occupant, if only he understands his business.

And yet, seriously, perhaps, occupancy of the revolving chair will be increasingly difficult in the coming years. The successful underwriter of the future, we may suppose, must understand not only the chemical and constructive hazards; not only inherent risks and "exposures"; not only policy clauses and business conditions; not only

"averages", insurance laws and mathematics and so on; but he must have also a particular knowledge of heat from the earth and light and power from the heavens, and of all the to-be-discovered hazards as well. In the coming years, therefore (in the coming years as now, only more than now), Ignorance will be darkness and Knowledge light; Ignorance will be weakness and Knowledge strength; Ignorance will be failure and Knowledge success. But as the price of success increases, the prize will be better worth the winning. My wish is that you field men of the West will so qualify yourselves that Promotion and Preferment will find you ready and not in the least reluctant. My further wish is that in the coming years, when the history of the ensuing decade shall be written, the faithful historian will be obliged to note, here and there, on every page, that the representative companies of the world have drawn heavily on the ranks of the far-famed Northwestern Association.

Meanwhile, what? Well, Experience is the best teacher, they say, and there is, of course, no substitute for that. Yet, many field men assure me, on their honor, that the principles of some things can be safely taken in through the head as a proper preliminary to complete "absorption" through the pores. Even theories, good theories, sound theories, have a place, perhaps, because, after all, everything which man has made was first a thought in the mind of man. "Each thing was first a thought", says Hillis, and adds: "A loom is Arkwright's thought dressed up in iron clothes." And ideals—ideals, at which it is too much the fashion to sneer—have their place in addition, are of value to us all. "Unless a man believes in something higher than himself", says Bayard Taylor, * * "he will fail in every loftier form of ambition and ought to fail." And you'll remember that Bulwer compares man's ideal, "adorned with virtues and excellencies", to the mariner's polar star. "Like the mariner guided by the polar star, he may never be able to reach that bright object which hovers over his pathway and directs his course; yet, without it, he would wander aimless and purposeless upon the great ocean of existence."

The Toastmaster—

Our program is nearly completed, and I trust that none will leave unless they find it absolutely necessary.

The Northwestern Association elected to-day a gentleman as its President—a man justly popular. He came to me to-night and asked me not to call on him, but I hardly think a banquet of the Northwestern Association would be complete unless we heard from the newly-elected President. He said that he could not make a speech, but that he could sing a song and dance a jig. Now, I am going to give him the privilege of either or both, and I take great pleasure in introducing to you Mr. Joseph H. Lenehan, a splendid son of the Emerald Isle, and our new President.

(Applause.)

(15)

Mr. J. H. Lenehan—

Mr. Toastmaster, Ladies and Gentlemen: I think it will not be necessary for me to make any explanation in regard to the song and dance, as you know what we are liable to receive from Mr. Harbeck in his present position. I did not expect to be called upon to make any remarks this evening, but I am not sorry that I have this opportunity of paying my respects to the ladies and gentlemen here. It is getting late, and I think all you care to hear from me is that I look forward to the support of the members of the Northwestern Association in preparing for the next entertainment, and I hope that we may all be together on that occasion. I thank you, ladies and gentlemen, very much.

Cries throughout the hall:

"What's the matter with Joseph?" "He's all right."

"Who's all right?" "Jo."

The Toastmaster—

We have with us to-night, ladies and gentlemen, the Honorable Milo D. Campbell, the newly-appointed Insurance Commissioner of the State of Michigan. I take great pleasure in introducing to you Mr. Campbell.

(Applause.)

Mr. M. D. Campbell—

Mr. Toastmaster, Ladies and Gentlemen: I feel somewhat as President Lenehan. I believe that the fire fiend of Chicago sweeps all before it. It was only a few moments ago that friend Harbeck came to me and said he wanted me to speak about four and one-half words; then he cut that down to two and one-half words. In this short notice I feel a little as the boy did, I think, who had become somewhat unruly and his mother went out to get a whip to punish him. While she was gone the boy crept away under the kitchen where his mother couldn't reach him, and there he remained until the father came home along in the evening, when the mother sent the father in after the boy to bring him out, so that she could trounce him. The boy saw his father creeping in under the kitchen, and he yelled out, "Hello there, dad! Is she after you too?"

It is getting a little late, and I think by this time we must be reminded of that old epitaph that you have all heard so many times, that was found in an English cemetery. I think it reads something like this:

"Beneath this stone lies Mary Ann,
Resting on the bosom of Abraham.
It's very nice for Mary Ann,
But it is awful tough on Abraham."

Now, I came over here to sit at the feet of you gentlemen and learn of you. I am but an infant in the business. I think, however,

after listening to the papers read here at your meetings, that I have been at the toes of you gentlemen most of the time, or upon your knee. I presume that comes largely, however, because of the representative of the State that bleeds. Now, I have heard you insurance men talk; I have heard you talk about each other; I have done something of it myself in years gone by. One class of companies is saying that you fellows are robbers, that you are robbing the people; and you fellows are saying that the other fellows do not rob enough. Now, it seems to me that the duty of the Commissioner is to stand between and see that you fellows do not rob too much and that the other fellows do rob enough to live. My time I think is up. I do not think I want to join your Association; I probably could not get in if I wanted to; but after listening to your papers here I do not want to join. I think a good deal as the fellow did who wanted to join the church. He had been thoroughly converted, and so he appeared before the church committee for examination, and he passed the examination very satisfactorily, but finally, as a last question, they said to him, "Brother Jones, have you taken this matter to the Lord in prayer?" "No, I don't think I have." "Have you gotten his counsel and advice in this matter?" "No, I don't think I have." "Then we can not admit you into this church; but you go and take three months more; you go away and pray over this matter, and at the end of three months you come back and we will re-examine you." After the end of the three months Jones came back and they said, "Brother Jones, have you prayed over this matter?" "Yes, sir." "Have you taken it to the Lord?" "Yes, sir." "Did you get his advice in the matter?" "Yes, sir." "What did the Lord tell you?" "Why, the Lord told me not to be discouraged; that He himself had been trying to get into this church for ten years and hadn't succeeded."

(Applause.)

The Toastmaster—

The gentleman at my left who comes from the land where Brother Brown, of Denver, says the colored brethren use their heads for match-boxes, desires an opportunity to correct or modify at least the statement of the gentleman from Denver. I take great pleasure in introducing to you Mr. Henry C. Stockdell, of Atlanta, Ga.

Mr. H. C. Stockdell—

Mr. Chairman, Ladies and Gentlemen: Ever since Brother Brown had the floor I have felt like I wanted to get at him. He knows better, and tells you a story about the negroes wearing matches in their heads, and I understand him to say that I had written a paper on the subject. Now, if you knew Brown as well as I do, you would know that that is one of the biggest lies that Brown ever told. I not only never wrote a paper on the subject, but I do not believe that any negroes ever carry matches in their heads. I never saw any.

I have heard of a story going around about trucks running over matches and setting bales of cotton afire, and that I believe has been published in some of the papers, but I do not believe, and I do not believe there is an insurance man in the whole South believes that anything of the kind ever happened. I think Brown has slandered the negro. If the negro's hair is kinky enough for anything at all, it is kinky enough to hold matches that are put there until they are pulled out. They are not going to drop out.

Speaking of the negro, Mr. President, I think probably it would not be amiss, in winding up this meeting around the table, to refer to some of the characteristics of the negro, by relating a little story which actually happened to two Special Agents in our territory. It seems that there were two agents, one night, in a town in Alabama, who wanted to leave about 2 o'clock in the morning on a train for Birmingham. They did not want to sit up until half-past 1 or 2 o'clock, and so they called for the nigger porter of the hotel, who, it seems, was a new hand, and had just the sense that all of them have, to do almost exactly what you tell them to do, if they do not forget it. Promptly at half-past 1 o'clock the porter went up to the door of the room where these gentlemen were and rapped until he got them up, and when he got inside one of them says, "John, how about the train?" "Boss, I just come up to tell you, sah, dat train's done got two hours behin' time and won't be here, sah, till 4 o'clock." Whereupon one of them seized a boot and another something else and threw it at the porter, running him out. "What in the world did you want to wake us up for? Come back and wake us up at half-past 3. Now, don't you let us get left." So they went back to bed and to sleep. The porter came up at half-past 3, rapped at the door, and when he got inside, "Well, how about the train now, John?" "Well, boss, I jes came up, sah, to tell yo' dat train's done kitched up time an' she's come and gone."

I was reminded, a few moments ago, when some one spoke of not knowing what 'Gene Harbeck was going to do, that you never know what you are going to get hold of or what you are going to see, and I recall the story of the boy who went out in the woods one day and found a persimmon tree. He had seen other boys eating these things, and though he did not know what they were himself, he picked up one, but happened to get hold of a green one—if any of you have eaten green persimmons you know what they will do to your mouth). Well, this little boy got hold of a green one, and he went back home frightened nearly to death, and he was afraid to tell his mother about it, as she had several ladies around her table as guests, but he took the seat that was left for him, and as he sat there at the meal he kept whistling, and his mother looked around and said, "Why, William Henry, what are you whistling for at the table?" "Whistling, h—I", he says, "I'm poisoned."

(Applause.)

The Toastmaster—

Ladies and gentlemen, there is sitting not far from us a gentleman whom we always like to hear when he comes from the Quaker City, a gentleman whose words have thrilled more than one audience in the West, and whom we all love and respect. I should like to hear a few words from General Beath, President of the United Firemens of Philadelphia.

General R. B. Beath—

Mr. Toastmaster, Ladies and Gentlemen: This is the first opportunity I have had to attend a meeting of the Fire Underwriters' Association of the Northwest, and it has been a great pleasure to me to listen to the remarkably able addresses that have been delivered here the past two days. I feel to-night very much as a man felt in a camp for recruiting colored soldiers during the war in the city of Philadelphia. The camp was located in a beautiful section of that beautiful city, and a number of rich people had determined that on Christmas Day the soldiers should have a good Christmas dinner, so the ladies and gentlemen met in the neighborhood and sent from their homes hot-house plants and flowers and decorated the tables, and did everything they could do to prepare for a nice dinner. As the soldiers were just about to be seated, a lot of fresh recruits came in and the Adjutant told them to hurry, that the dinner was all ready, and as the fresh recruits looked at the beautiful decorations and the steaming dinner one negro called out, "Good Lawd, if I had known that was the way Uncle Sam fed his soldiers I'd have been here long ago!" Some of you know that that darkey didn't have turkey every day for his dinner after that, but that he had to come down to hard tack and salt pork, and I believe if we lose interest in these Associations there are many of us now drawing good salaries who will come down to hard tack and salt pork.

We were told not to talk shop to-night, and I did not intend to do it, but after listening to the excellent addresses of the day, I feel somewhat like that man in the Scotch church during a period of religious revival. Now, it was rumored around that on the following Sabbath the minister was going to pay particular attention to some of the weaknesses of the leading men in the kirk, and all hands were there, of course, with but few exceptions, and the minister went on laying down the law and looking, as the audience did, in one particular direction at this man who sat there, and as a good, pithy sentence would come out from the minister's lips, apparently addressed to him, he would turn around and look at an empty seat behind him in evident wonder as to why that man was not there to hear that particular remark. And the trouble has been, Mr. Toastmaster and Mr. President of the Association, that the other fellow was not here to listen to these addresses and learn something in regard to his

duties to his fellow men and to his associates in business, and of a grander duty that we owe to our stockholders, whose money is entrusted to our keeping.

(Applause.)

The Toastmaster—

I think that is the best shop-talk I have listened to in some time.

It is with great pleasure that I now introduce to you a gentleman who is my superior officer, Mr. George Ingraham, Vice-President of the Phenix Insurance Company.

Mr. George Ingraham—

Mr. Toastmaster, Ladies and Gentlemen: I did not expect to be called upon to-night, but I would not have you think that I do not appreciate the honor of this introduction to the Fire Underwriters' Association of the Northwest, or that I am ungrateful for the compliment that you pay through me to the company with which I have the honor to be associated. But I am at a loss at this late hour to know what to say that will interest you, for everything, it seems to me, during the two days that I have listened to the papers and addresses as they came up for discussion, has already been said. I am forbidden to speak of shop in any way. I used these words, I have listened to the papers and addresses as they came up, advisedly, for I feel that I am like the man who was depicted in one of our papers called *Life*, and represented as standing on shipboard far at sea, very weary, very tired, and coming up to him is his wife, who is not affected by the sea, and who is sympathetic and wants to say something cheering, and she says, "Darling, has the moon come up yet?" His answer was, "My dear, it has if I swallowed it".

It seems to me that during the two days I have been here I have swallowed not only the moon and the sun, but the planets and all the fixed stars. I have imbibed more than I can tell you in the way of instruction and entertainment; but, speaking of swallowing, there was a little incident on my journey here which illustrates that every man doesn't swallow everything he hears. It happened on the train in the smoking compartment, where there were two younger men and one older man, and they were talking about insurance, and the old man broke into the conversation and he reminded me, in the severity with which he spoke, of that story of the old Scotchman you may recollect who was in his corner of one of the London clubs. He had been sipping his Scotch whisky when Lord George Gordon and one or two of his English friends came into the room and began to talk about Lord George's experiences in India—and I only refer to these details because it reminds me of the man on the cars. The Scotchman did not want to take any part in the conversation; Lord George was proceeding to tell of his hunting experiences, and he said, "I suppose that I had very remarkable hunting experiences while I was in India."

And when one of his companions said, "Lord George, what did you do while you were there?" he said, "my occupation principally was tiger hunting. I suppose that I killed more tigers than any one who has ever been to India and, in fact, during the three weeks that I was there I killed a tiger every day." At this the old Scotchman seemed a little astonished. Lord George continued, "Yes, sir, I killed I think the largest tiger that was ever killed in India. I brought his skin home. I have it now, and it measures 18 feet from the tip of its nose to the tip of its tail." This was too much for the old Scotchman, and, breaking in on the conversation, he said, "I'm no onything of a hunter, but I'm something of a fisherman, and I can't stand by and listen to your story of that tiger withoot saying something on the subject mysel'." He said, "I was fishing the other day in the River Tay, and after a while I found that I had a strong bite, an' by poolin' aboot an oor I landed a skate, if I know what a skate is, an' when I got him fairly upon the groon an' walked aroon him I found he covered aboot an acre of groon." After that Lord George and his friends walked out of the room. Pretty soon his friends came back to the Scotchman and said, "This treatment of Lord George is unwarranted; we think you should apologize to him, he is feeling very badly about it." The Scotchman said, "I'll never apologize; I have some rights mysel'—not, perhaps, on the subject of hunting, but I have some rights mysel'." They said, "Now, look here, in clubs we have certain rights, and you must do something to make Lord George comfortable." The old Scotchman, after a moment, said, "Weel, I don't know but what you're right. I may have been somewhat hasty. I'll tell you what I'll do: If you'll get Lord George to come back into this room an' tak off aboot eight feet frae the skin o' that tiger I'll see what I can do aboot the skate."

Well, now, gentlemen, that is a digression because this man in the cars reminded me of it. These two men were talking of insurance and they talked so loudly I could not read for hearing what they had to say, and the burden of their talk was that the companies to insure in were the companies that had the largest amount of assets, and one of them said—mentioning the name of the company whose policy he held; I recognized it at once, you would if I named it—and the other one also said that his company had nearly as large assets, and the old man listened in spite of himself, but said nothing until presently this remark started him as the other did the old Scotchman: One of them said to the other, "I pity a man who is insured in any company that has assets of less than seven to ten millions of dollars. The assets make the security of the policy." After that this old fellow broke in and he said, "You will excuse me, gentlemen. I know I have no right to speak, but I am insured myself, and as you say you pity a man who has a policy in a company having less assets than from seven to ten millions of dollars, and as I am such a man, and as I believe you are wrong, I hope you will allow me to say

what I think. I am a property-owner, and have a number of policies in companies whose assets are not more than half the amount that you have named. My property is mostly in the West, and while I know the companies you name and have no doubt they are well and honestly and faithfully managed, I see by your talk that you do not know anything about that, but I know that the company I am insured in has for its General Agent or Manager a man whom I know—a man who is shrewd and who is intelligent, who is fair-minded, who is honest; and I know some of his field men, and they are of the same character, and I will give you a tip on this, that you will generally find that high-toned General Agents have high-toned Special Agents, and to my thinking I would much prefer to have as security the policy of a company that is managed by a shrewd, intelligent, fair-minded, honest Western man than to hold the policy of a company simply because it has the largest assets in the world." I thank you.

(Applause.)

The Toastmaster—

Gentlemen, it is getting pretty late, and we are nearly through. But there is a certain gentleman here with whom I am very closely associated. He said if I called on him he would get even with me. I am going to call on him and let him do his level best. I will call on Mr. Robert J. Smith, of the Traders.

Mr. R. J. Smith—

Mr. Toastmaster, Ladies and Gentlemen: I think you will all admit that I have been pretty well advertised to-night, although I believe the Insurance press claim that I do not advertise as much as I ought, myself.

I had an agreement, a solemn compact, with the late President and the Toastmaster, that there was to be nothing said by me to-night, therefore I hoped that this meeting might pass off pleasantly and be a success, but it does seem that they are determined to have a disturbance towards the close. I think you will all say with me that this has been the largest and most successful meeting this Association has ever held. This is no doubt largely because we have been so ably managed, and because we have increased in numbers and increased in our interest in the subjects with which this Association deals. I am very well aware that I am getting to be somewhat of a back number. I realize this as I look over the faces and see so few gray heads. It is true, there are quite a number who haven't any kind of hair, gray or black, but that does not denote, necessarily, their age. However, I feel glad there are so many younger men to take the places of the older members. I am glad also that the gentlemen who will take our places so soon display such a large amount of interest in learning the rudiments at least of our business. As I said at the beginning, you are larger in numbers than any previous meeting of this Association; in fact, there seems to me to be no end to the Special Agents

in the middle West. I am astounded myself when I look around this room. There are, I believe, about 120 companies doing an agency business, but when you come to think that every one of those companies have on an average ten Special and State Agents, you begin to realize how many field men there are in this vast domain. The time was when this Association met and we could count the active members upon the fingers of both hands. That time has gone by. I am surprised, as each year succeeds the other, that there are so few of you whom I know personally. I meet men in the corridors and in these meetings whose faces are familiar, perhaps, but whose names have passed from me. The older ones are giving away to the new; this is evolution in fire insurance. It is proper; it is according to the laws of nature, and I do not regret it. But I want to say to you, gentlemen, that I am glad I have been permitted to see so successful a meeting as this has proven to be. It is now so near the close and the hour is so late I think you do not care to hear any of my platitudes. You have had a feast of reason, a flow of soul, good music and all that. I did not suppose, speaking confidentially, that any one could run one of these banquets except myself, but I find there are others.

I remember at a meeting at Louisville—I was very young then—we met with the Association of the South at the Gault House, and we had a good attendance—not so large a number as is in the room to-night, I know. I felt very proud, however, at that time in being able to look over the faces of so many intelligent men, representatives of the insurance interests all the way from the Great Lakes to the Gulf of Mexico. It was a proud occasion, and I recollect very well that the hotel people seemed to think I must be something of a Czar, so to speak, for they put me in the room that had been recently occupied by the Duke Alexis, and I had to borrow money to get home. Brother Hewitt has revived the memory of those days by publishing a cartoon showing six or eight of us tramping home from Saratoga, and he did not know how near he came to the truth either.

Speaking of your Association numerically reminds me of a story—I do not hear any objections, so I will tell it. It may please the ladies. I have been holding this for a week and could not get an opportunity to give it away. A friend of mine told it: There were riding in the cars on a day train two ladies, one sitting immediately behind the other, strangers to each other. The one in front was in deep mourning; she had a lot of traps with her, including the usual bird cage. The one behind was a maiden lady of some fifty summers (or summers along there) and she had read her book and laid it away; had fixed her bangs, and done the usual things which ladies are wont to do when traveling and near their destination and expecting to meet friends, but she apparently could not help keeping her eye on the lady in front of her, for she had noticed that with the other traps she had been carrying one most carefully, a glass jar which seemed to be tightly sealed and which she seemed to prize as the

apple of her eye, for she never let go of it, never allowed it out of her sight, and it created a great amount of curiosity in the mind of the maiden lady, who, womanlike, determined to find out what was in that jar before she left the train. No one, she reasoned to herself, could be so anxious to preserve a rose jar, for they were common and on every mantle; it must be something very precious; and she wondered if the lady could be on her return trip from the Klondike. Finally she made up her mind to ask her, so she said: "Madame, you will excuse me, but I notice you have there with you a jar which you seem to preserve and watch with great care. Will you pardon me and tell me what that jar contains? I do not want to be impertinent, but I am getting near to the end of my journey and I made up my mind I would ask you." The lady replied: "There is no harm in your asking at all. The fact is, I have been married three times; my husbands are all dead; they were all cremated, and their ashes are in this jar." "Now," the maiden lady said, "that just goes to prove what I have been saying for the last twenty-five years. The good things of this life are not evenly distributed. I have been trying to get a husband ever since I was sweet sixteen. I am now pretty well along in years—though I won't tell how old I am, because you might give it away—but I have never been able to get married. I am passably good looking; I have a moderate fortune; I am tolerably well educated and intelligent, and I have missed getting married, while you, it appears, *have had husbands to burn.*"

I trust that I have not trespassed too much on the time of this Association. I did not intend to talk so long. I should have followed the excellent example of our friend, Mr. Lenehan, who has had the distinguished honor of being elected to the Presidency of this Association. It is now late and I would suggest that we adjourn.

The Toastmaster—

I appreciate the suggestion of Mr. Smith. Our program is nearly at an end. If we can have a few words from Judge Cary and a story from Mr. Cunningham, the quartet will sing "Auld Lang Syne," and we will adjourn.

Judge Cary—

Mr. Toastmaster, Ladies and Gentlemen: I fear that our friend did not appreciate duly the suggestion of Mr. Smith that his speech be the last.

I had the same assurance from the Toastmaster and from the ex-President that Mr. Smith said he had, that I should not be called upon, and I placed such confidence in these assurances that after I came into the hotel this evening I even bet a hat that I would not speak. I propose to win the hat, and after I get through I am sure that I can safely call on each of you to prove that I have not made a speech on this occasion.

I wish at the outset—I will detain you a very short time—to give some assurance to our friend the Commissioner from Michigan that he can safely apply for membership in this organization. He seems to be dissuaded from making such application because of the experience of the unfortunate gentleman he tells us was seeking membership in the church. This reminds me of another similar instance. At one of our Western towns, where a general awakening had been had and where one citizen who was known as a ne'er-do-weel took it into his head that it was about time for him to join the church, and so waited on the Presbyterian minister and stated his desire. The minister knew him very well, and had some hesitancy as to his fitness for church membership, so he went on and catechized him and asked if he really realized what a dreadful sinner he was, with many remarks of that kind, until finally the applicant grew out of patience and said, "Well, I will not join this church; I will go over and join the Methodist church. A man hasn't got to be the meanest man in the world to get in there." So I will say to the Commissioner that a man has not got to be the meanest man in the world to become a member of this Association.

We are at the close of a very successful and unusually interesting meeting of our body. You Special Agents will all go away feeling, I have no doubt, the importance which you bear to the business. I hope that you will go away realizing that largely in your hands is placed the future of our business, and that you will not leave this meeting feeling merely that you have had a good time, but that as you are important to the business, certain grave responsibilities rest upon you. Now these Associations are exceedingly important, not altogether because of the instruction we receive, but more than anything else because of the good fellowship that is engendered. And so with all like associations. In my judgment, the Union is justified in its existence, not so much because of any rules they may adopt, as because it has made good-will and good fellowship and honest coöperation take the place of enmity and jealousy and narrow thinking among the members of this fraternity. That also is the justification of our body. It brings us into good fellowship, makes us friends, causes us to feel that our interests are mutual, and that we cannot better serve our individual interests than by advancing those interests which are common to us all. Now, it is too late in the evening for me to enlarge very much upon those suggestions which naturally come to my mind at this time. It has been said that this is an occasion for mirth-making and for jollity, but I wish to impress something more than that upon you. I myself seriously feel at this time, more than ever before since my connection with the insurance business, that it is surrounded with dangers; and I hope that the members will go out from this meeting feeling that they have something higher to acquire than the mere advancement of their individual and company interest. I know of no worse element in the business—I appreciate the value,

the high value, of an honest Special Agent in the performance of his duty—but I know of no greater evil than a Special Agent who is animated by selfish, narrow, unworthy motives and methods. A Special Agent of that kind is like a pestilence that walketh at noon-day. Now, no one has a right to feel that he occupies a position where he can pursue an independent method or employ unfriendly means. No one can say of my company, it is self-sufficient, it has a large surplus, it can endure a fight and come out victorious, that my Manager is of superior intellect and we have been unusually lucky. The truth is, that when the tornado sweeps through the forest the sturdy oak is no stronger than the most slender weed; and when the nation gives out, the pigmy and the giant tumble into the same grave. Everyone should take heed lest he fall. When the tornado comes everything falls before it, and when the touch of the earthquake is upon the land there is no solid foundation for any man's foot; and our influence should be to ward off danger, to coöperate with each other in the advancement of methods which all profess are for the public good. We should seek to advance the general interest, by the observance of those rules the basis of which is *fidelity and honesty*. Much might be said upon this subject. I wish I had time to say more. As I said, I realize as never before the unfortunate conditions which surround our business, and they have grown largely out of undue competition. Special Agents are not to blame for it. The companies need "jacking up", to use a favorite expression of our friend, Mr. Harbeck. But the companies and the agents should all feel that their interests are common, and we should go forth arm in arm with a friendly purpose and honest determination to advance this business on lines of mutual confidence and benefit.

(Applause.)

The Toastmaster—

The Chair rules that the Judge has lost the hat.

I will now call on Mr. Cunningham to entertain us for a moment, and then the choir will sing and we will adjourn.

Mr. W. H. Cunningham—

Mr. Toastmaster, Ladies and Gentlemen: I have not the slightest idea what this gentleman wants me to do, but I presume he wants me to tell a story I told a year or so ago out in the wilds of Iowa. It was about this time of night, too, I think, and I do not remember to have told it since. It was a story told to me by a Catholic priest in Pennsylvania three or four years ago when I was taking my annual outing down in that Keystone State, and he told it in such a funny way and there was so much in it that, while I very seldom listen to stories, this impressed me.

This priest said that a German friend of his, a priest, had been sent out into the iron regions of Pennsylvania to preside over a con-

gregation there composed of men who worked in the iron furnaces—a lot of people composed of Hungarians, Poles—most everything else one could think of gathered together there to work in these furnaces, but this priest complained to his friend that when he would try to teach them the truth and the way, and would try to show them how to wander along the narrow path that leads to everlasting bliss, they would turn their faces to him and look as blank as the walls of the building, and he felt that he was making no impression upon them at all. But finally a happy thought struck him and he made up his mind that his flock did not understand him, and that he would tell them these simple stories and teach them by illustration or object lessons, and so he put this resolution into effect the following Sunday morning, and he was telling them about the terrors of hell—what an awful place it was and what would happen to them when they got there; how to keep away from there, and how, if they followed his teachings, they surely would, and he made this illustration—he was not very good at English himself, he was a German priest. So he said to them:

“Now, if you put your finger into boiling vater, no matter how quick you take it out, it hurts, de shkin comes off, you tie a leetle rag around it, it is sore for a long time! Do you know how hot dot vater is? Dot is 212 degrees hot!” He rather woke them up; they had never heard that before. They remembered that it burned their fingers when the water was hot.

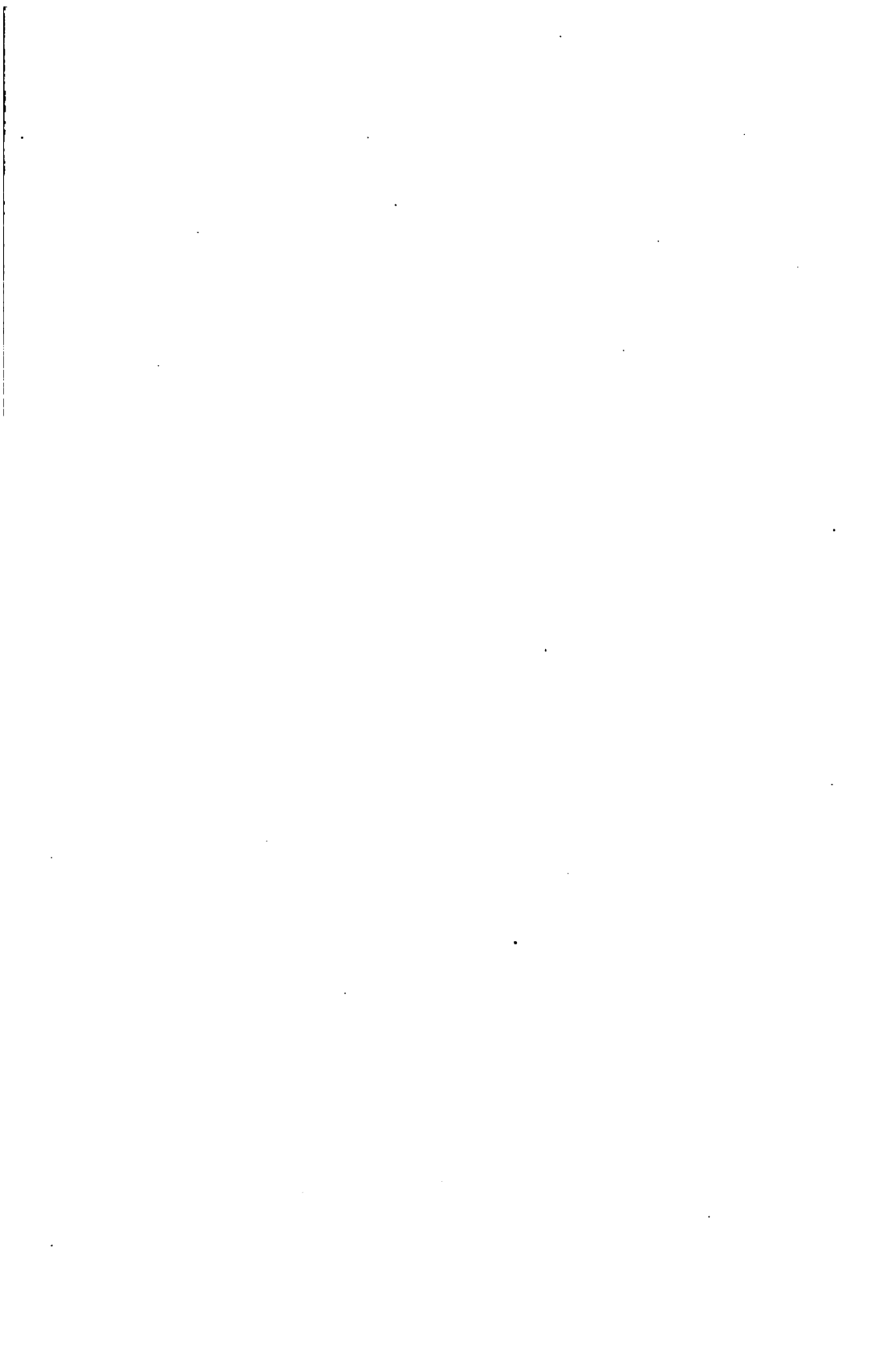
“Now,” he said, “you fellows who vork down here at de furnaces, did you ever see dot melted iron run out, de kind dey make peege of? How hot do you dink dot vas? Dot is 2,000 degrees hot, und de debils in hell dey would dink dot was ice-cream.”

(Applause.)

The Toastmaster—

Ladies and gentlemen, the choir will now sing “Auld Lang Syne,” and you all have the privilege to join, and the meeting will then stand adjourned.

The banquet was closed by singing “Auld Lang Syne,” in which all present joined.



DIRECTORY OF MEMBERSHIP.

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NAME.	ADDRESS.	TITLE.	COMPANY.
Abbott W. S.,	Lapeer, Mich.,	State Agent,	N. British & Mercantile.
Adams Geo. W.,	Chicago, Ill.,	Adjuster,	Independent.
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Allabach E. W.,	Des Moines, Iowa,	Special Agent,	Commercial Union, Eng.
Allen E. L.,	New York City,	President,	German-American Ins. Co.
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Bailey J. W.,	Topeka, Kansas,	Special Agent,	Phenix Ins. Co., N. Y.
Baker Thos. Jr.,	Fargo, N. Dak.,	Special Agent,	Phenix, Brooklyn.
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Bament W. N.,	Chicago, Ill.,	Adjuster,	Merchants of Newark.
Barnard C. F.,	Chicago, Ill.,	Adjuster,	Home Insurance Co.
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Barrow J. S.,	The Temple, Chicago,	Special Agent,	Delaware & Reliance.
Barry Chas. H.,	The Temple, Chicago,	Manager,	Pennsylvania Fire.
Batchelder G. H.,	Denver, Col.,	Special Agent,	Providence-Washington.
Beck J. M.,	Los Angeles, Cal.,	Asst. Manager,	Fire Ass'n of Philadelphia.
Becker E. A.,	Lincoln, Neb.,	Secretary,	Farmers & Merchants.
Belden J. S.,	Chicago, Ill.,	Manager,	London & Lancashire.
Bell G. H.,	Dayton, Ohio,	State Agent,	N. British & Mercantile.
Benedict Frank M.,	Lawrence, Kan.,	Special Agent,	Niagara Ins. Co.
Benedict H. F.,	Omaha, Neb.,	State Agent,	Western Assur., Toronto.
Benedict H. O.,	Cincinnati, O.,	Special Agent,	British America, Toronto.
Bennett H.,	Cedar Rapids, Iowa,	Inspector,	Phenix of Brooklyn.
Bennett R. M.,	Springfield, Ill.,	Special Agent,	Aetna Ins. Co.
Berry E. H.,	Milwaukee, Wis.,	State Agent,	Liverp. & London & Globe.
Best Jas. G. S.,	Chicago, Ill.,	Special Agent,	Agricultural, N. Y.
Bissell R. M.,	Chicago, Ill.,	General Agent,	Hartford Fire.
Blackwelder I. S.,	Manhat'n Bdg., Chicago,	Manager,	Niagara Fire Ins Co
Blauvelt Albert,	Rialto Bldg., Chicago,	Inspector,	Western Factory Assn.
Bliven Waite,	218 La Salle, Chicago,	Special Agent,	American Fire, Phila.
Bloom Nelson A.,	Detroit, Mich.,	Special Agent,	Continental Ins. Co.
Blossom Geo. W.,	Chicago, Ill.,	Asst. Gen. Agent,	National Fire, Hartford.
Bonar L. J.,	Mansfield, O.,	State Agent,	Ins. Co. of North America.
Boning Herbert E.,	Cincinnati, O.,	Special Agent,	Philadelphia Underwriters.
Bowers F. W.,	St. Louis, Mo.,	Special Agent,	Delaware & Reliance.
Bowers H. E.,	54 William, New York.	Manager,	Orient.
Bradley C. B.,	Chicago, Ill.,	Special Agent,	N. British & Mercantile.
Bradshaw W. D.,	The Temple, Chicago,	General Agent,	Union Ins. Co., Pa.
Brant J. A.,	Minneapolis, Minn.,	Inspector,	
Briggs N. E.,	Chicago, Ill.,	Special Agent,	N. British & Mercantile.
Briggs R. R.,	St. Paul, Minn.,	State Agt. & Adj.,	German Ins. Co.
Briggs Theo. W.,	Appleton, Wis.,	State Agent,	Home Ins. Co., N. Y.
Briggs W. R.,	Detroit, Mich.,	Special Agent,	Ins. Co. of North America.
			Phila. Underwriters.

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			Philadelphia Underwriters.
			N. Y. Underwriters' Agency.
			German, Freeport.

NAME.	ADDRESS.	TITLE.	COMPANY.
Penfield Geo. F., Persch C. F., Phelps D. B., Phillips H. O., Pinkney A. E., Poinier E. W., Pratt Marcus M., Price Jas. W., Prinsen John A., Ragsdale J. C., Ransom Fred W., Rassweiler H. H., Raymond M. H. N., Raynolds R. L., Redfield A. P., Redfield Geo. E., Redfield D. W., Reekie Chas. A., Remick W. H., Reynolds Geo. W., Reynolds M. A., Richards J. M., Richardson Chas., Riddle J. Irving, Ritchie Frank, Robb Willis O., Robertson J. W., Robinson T. A., Rogers C. B., Rogers Jos. M., Rollo Wm. F., Rorick David, Rose R. H., Rothermel Chas. T., Rowell Alfred, Rudy D. A., Ryan Edwin C., Sanderson A. G., Sayres R. S., Schmemmann Karl, Schnitzler Theo., Schrup N. J., Schupp Otto, Scott Walter, Seage H. S., Sears M. L., Shade Chas. F., Shankland T. C., Seelye I. H., Shaw William, Sheahan J. D., Sheridan J. P., Shepherd John E., Sikkema U. H., Simonson C. F., Sinclair A. J., Singleton J. P., Small I. F., Smith Horace M., Smith R. J., Smith T. H., Smith Thos. H., Salomon L. H., Southwick S. H., Spear Theo. F., Speed A. C.,	Rockford, Ill., Manhat'n Bdg., Chicago, Kansas City, Kan., 177 La Salle, Chicago, Kansas City, Mo., Chicago, Ill., Des Moines, Iowa, "The Verona," Detroit, Chicago, Ill., Milwaukee, Wis., Grinnell, Ia., The Temple, Chicago, Grand Rapids, Mich., Omaha, Neb., 177 La Salle, Chicago, Chicago, Ill., Chicago, Ill., Detroit, Mich., Kewanee, Ill., St. Louis, Mo., 2564 Lakewood, Chic'go Omaha, Neb., Chicago, Ill., Terre Haute, Ind., Chicago, Ill., New York City, Chicago, Ill., Des Moines, Iowa, Louisville, Ky., Rookery Bldg., Chicago, Chicago, Ill., St. Louis, Mo., Minneapolis, Minn., Chicago, Ill., 34 Pine St., N. Y. City, 1626 Delaware St., Indianapolis, Ind., Chicago, Ill., Columbus, Ohio, Wilmington, Ohio, Detroit, Mich., Watertown, Wis., Dubuque, Ia., Saginaw, E. S., Mich., Kansas City, Mo., Lansing, Mich., Kansas City, Mo., 58 Cedar St., N. Y., San Francisco, Cal., Evanston, Ill., Council Bluffs, Ia., Chicago, Ill., East Saginaw, Mich., Chicago, Ill., Belleville, Ill., Chicago, Ill., Grand Rapids, Mich., Louisville, Ky., Des Moines, Iowa, Terre Haute, Ind., 160 La Salle, Chicago, N. Y. Life Bldg., Chicago, Dayton, Ohio, Chicago, Ill., Chicago, Ill., Cincinnati, Ohio, Chicago, Ill.,	Secretary, Secretary, State Agent, Special Agent, State Agent, General Agent. Examiner, Special Agent, Special Agent, Special Agent, Special Agent, Special Agent, State Agt. & Adj., State Agent, Adjuster, Adjuster, Special Agent, Special Agent, Special Agent, Special Agent, Adjuster, State Agent and Adjuster, 2d Asst. Gen. Agt., State Agent, Asst. Genl. Agt., General Adjuster, Special Agent, State Agent, Special Agent, Manager, General Agent, Vice-President, Special Agent, Special Agent, Special Agent, State Agent, Special Agent, Special Agent, General Insurance. Special Agent, Adjuster, Inspector. General Agent, Secretary, Supt. Cook Co. Department, Adjuster, Special Inspector, State Agent, State Agent, Special Agent, Special Agent, Secretary, Adjuster, State Agent, Adjuster, Adjuster, Asst. Gen. Agent, Special Agent,	Ins. Co. State of Illinois. Illinois State Board. Merchants', N. Y. Ins. Co. State of Pa. Phenix, Brooklyn. State Insurance Co. Rockford & Security. Prussian National. American Central. Providence-Washington. Ins. Co. of North America. Philadelphia Underwriters. Connecticut, Hartford. Connecticut, Hartford. Union Adjustment Co. Union Adjustment Co. Pennsylvania Fire. Detroit F. & M. Phenix, Brooklyn. Niagara Fire Ins. Co. Independent. Ins. Co. of North America. Philadelphia Underwriters. National, Hartford. Phenix, Brooklyn. Hanover Fire Ins. Co. Norwich Union. London & Lancashire. German, Freeport. Springfield F. & M. Queen Ins. Co., England. Girard, Pa. American Central. Ins. Co. of North America. Thuringia Fire Ins. Co. Ætna Ins. Co. German, Freeport. London & Lancashire. Lancashire Ins. Co. Traders' Ins. Co. Milwaukee Mechanics'. Phenix, Brooklyn. Dubuque F. & M. Ins. Co. Caledonian, Scotland. Home Ins. Co., N. Y. Traders', Chicago. Phoenix Assurance Co. Fire Association. Independent. Millers' National. Saginaw Valley F. & M. Manchester Fire. German, Freeport, Ill. Hartford Fire Ins. Co. Home Ins. Co., N. Y. Niagara Fire Ins. Co. Providence-Washington. Palatine Ins. Co. Traders' Ins. Co., Chicago. German, Freeport, Ill. Independent. Independent. Phoenix, Hartford. Providence-Washington.

In Memoriam.

NAME.	ADDRESS.	TITLE.	COMPANY.
Abbey A. J. B.,	San Antonio, Tex.,	Special Agent,	Home, N. Y.
Aldrich H. L.,	St. Louis, Mo.,	Proprietor,	<i>Western Insurance Review</i> .
Armstrong Frank W.,	Indianapolis, Ind.,	State Agent,	Germania, N. Y.
Ashworth Wm.,	Chicago, Ill.,	General Agent,	British America Assur. Co.
Aspinwall Sterne F.,	Grand Rapids, Mich.,	President,	Grand Rapids Ins. Co.
Atwood John,	Alton, Ill.,	President,	Illinois Mutual, Ill.
Barry A. S.,	Godfrey, Ill.,	General Adjuster.	
Bassett E. J.,	Hartford, Conn.,	General Agent,	Ætna, Hartford.
Bennett J. B.,	Indianapolis, Ind.,	Local Board Com- missioner.	
Berne J. J.,	Chicago, Ill.,	General Adjuster,	Traders' Ins. Co.
Bissell F. R.,	Dubuque, Iowa,	State Agent,	Hartford Ins. Co.
Bissell Geo. Francis,	Chicago, Ill.,	General Agent,	Hartford Ins. Co.
Bliven Chas. E.,	Chicago, Ill.,	Manager,	American Fire, Philadelphia.
Boughton Frank S.,	Denver, Col.,	Special Agent,	Niagara, N. Y.
Burch Thos. Ross,	Chicago, Ill.,	Gen'l Agt. West- ern Dept.,	Phenix, Brooklyn.
Burt Fred. E.,	Detroit, Mich.,	Supervising Agt. and Adjuster,	Niagara, N. Y.
Chittenden W. G.,	Chicago, Ill.,	General Agent,	Merchants' Ins. Co., N. J.
Clarke Geo. C.,	Chicago, Ill.,	General Agent,	Boylston, Boston.
Clarke W. T.,	Des Moines, Iowa,	State Agent,	Franklin, Philadelphia.
Cole Aaron T.,	Indianapolis, Ind.,	State Agent,	N. Y. Underwriters Agency.
Coombe C. F. C.,	St. Louis, Mo.,	Special Agent,	British America Assur. Co.
Cook Geo. H.,	Indianapolis, Ind.,	Secretary,	Franklin Ins. Co.
Cornell W. B.,	Chicago, Ill.,	Superintendent,	N. British and Mercantile.
Crooke W. D.,	Chicago, Ill.,	Manager,	Northern Assurance, Eng.
Cunningham A. M.,	Louisville, Ky.,	Sup't Agencies,	Queen, of England.
Dean Thos. L.,	Chicago, Ill.,	General Adjuster,	Hartford Ins. Co.
De Camp D. J.,	Schenectady, N. Y.,	Special Agent,	Liverpool & London & Globe
Dresser Jasper M.,	Lafayette, Ind.,	Financial Agent,	National, of Hartford.
Ducat Arthur C.,	Chicago, Ill.,	Insurance Agent.	
Eggleston Seth,	Burlington, Ia.,	Adjuster,	Providence-Washington.
Engelbreton Wil- helm,	Rockford, Ill.,	Special Agent,	Rockford Ins. Co.
Euler Philip, Jr.,	Evansville, Ind.,	Special Agent,	Springfield F. & M.
Forbes Wells W.,	Richmond, Ind.,	State Agent,	Royal Ins. Co.
Franklin Morris,	New York City,	Secretary,	U. S. Branch Sun Fire Office.
Gould Geo. D.,	Chicago, Ill.,	Adjuster,	Independent.
Hall Geo. W.,	Negaunee, Mich.,	Inspector.	
Harris J. S.,	Chicago, Ill.,	General Agent,	Metropole Ins. Co., Paris.
Hawley A. H.,	Le Roy, Ohio,	Secretary,	Ohio Farmers'.
Hersh Geo. Edward,	York, Pa.,	President,	Farmers', York, Pa.
Hewitt Edgar A.,	New York,	Editor,	<i>Insurance Chronicle</i> .
Heywood P. P.,	Chicago, Ill.,	General Agent,	Hartford Ins. Co.
Hine Chas. C.,	New York City,	Editor,	<i>The Monitor</i> .
Hosmer Frank B.,	Chicago, Ill.,	General Insurance.	
Hough Judson B.,	Maroa, Ill.,	Special Agent,	Northwestern Nat'l Ins. Co.
Howard W. I.,	Chicago, Ill.,	Special Agent,	Western Assurance Co.
Ireton Edward L.,	Chicago, Ill.,	Adjuster,	Independent
Johnson T. W.,	Chicago, Ill.,	Special Agent,	Sun Fire Office.
Keller P. C.,	Quincy, Ill.,	Special Agent,	Phenix Ins. Co., Hartford.
Lewis Walter E.,	Chicago, Ill.,	Adjuster,	Independent.
Lumbard S.,	Fort Wayne, Ind.,	General Adjuster,	Phenix Ins. Co., N. Y.
Maginn John W.,	St. Louis, Mo.,	State Agent,	N. Y. Underwriters' Agency.
Main Alex H.,	Madison, Wis.,	Special Agent,	German-American Ins. Co.
Marshall C. W.,	Urbana, O.,	Retired President.	
Morris Lewis R.,	Detroit, Mich.,	Manager,	Niagara Ins. Co., N. Y.
Morse Dr. Daniel,	Detroit, Mich.,	State Agent,	Home Ins. Co., N. Y.
Myers J. C.,	Detroit, Mich.,	State Agent.	Ins. Co. of North America.
Nieman A. D.,	Chicago, Ill.,	Special Agent,	Philadelphia Underwriters.
Page E. S.,	Des Moines, Iowa,	State Agent,	Orient Ins. Co.
Paige John C.,	Boston, Mass.,	Resident Manager,	Home Ins. Co., N. Y.
Peetrey Jacob,	London, Ohio,	State Agent,	City of London Fire of Eng.
Preston E. C.,	Detroit, Mich.,	Secretary,	Fire Association, Phila.
Reed, J. S.,	Marion, Ohio,	(First President of this Association.)	Michigan F. & M.
Rice E. F.,	Cincinnati, O.,	Adjuster,	Ætna, Hartford.
Roper Geo. S.,	Rockford, Ill.,	Secretary,	Mnfrs. & Merchants' Mutual.

In Memoriam—Continued.

NAME.	ADDRESS.	TITLE.	COMPANY.
Ruegger S. A. D.,	Chicago, Ill.,	Special Agent,	N. British & Mercantile.
Schultz Daniel,	Milwaukee, Wis.,	General Agent,	Milwaukee Mechanics'.
Schupp Simeon,	Chicago, Ill.,	General Agent,	German, Freeport, Ill.
Sewell John,	Montreal, Canada,	General Adjuster,	Royal Canadian Ins. Co.
Simonds E. A.,	Chicago Ill.,	General Agent,	Greenwich Ins. Co., N. Y.
Spalding A. W.,	Chicago, Ill.,	General Agent,	Home Mutual, Cal.
Sweeney Anthony,	Denver, Col.,	State Agent,	American, Philadelphia.
Travis A. C.,	St. Louis, Mo.,	{ Manager West- }	{ Firemens, Dayton.
Trumbull A. J.,	Merriam Park, Minn.	Special Agent,	Fire Association.
Underwood T.,	Chicago, Ill.,	Adjuster,	Independent.
Vance J. P.,	{ 53 West 3d, Cincin- }	General Agent,	{ Hamburg-Bremen, Germany.
Vernor Benjamin,	{ nati, O., }		{ Union Ins. Co., Phila.
Warner D. B.,	Detroit, Mich.,	Special Agent,	Springfield F. & M.
Waters A. J.,	Chicago, Ill.,	General Agent,	Phoenix, London.
Webber Hiram F.,	Cleveland, Ohio,	State Agent,	Continental, N. Y.
Wessenberg C.,	Dayton, Ohio,	Special Agent,	Connecticut Ins. Co.
Whitehead J. M.,	Mobile, Ala.,	General Agent,	Mobile Underwriters'.
Whiting J. H. C.,	Chicago, Ill.,	{ Special Agt. and }	{ Imperial, England.
Williams Abram,	Philadelphia, Pa.,	Editor,	Amer. Exchange & Review.
Young Mar. V. B.,	Chicago, Ill.,	Manager,	Connecticut Fire Ins. Co.
	Rochester, N. Y.,	General Agent,	Commerce Ins. Co.

HISTORICAL.

ANNUAL MEETINGS OF THE ASSOCIATION.

- 1871—DAYTON, OHIO, February 22:
C. E. BLIVEN, Chairman. R. L. DOUGLASS, Vice-President.
*J. S. REED, President. C. E. BLIVEN, Sec. and Treas.
- 1871—INDIANAPOLIS, IND., July 25 and 26:
J. S. REED, President. R. L. DOUGLASS, Vice-President.
*A. C. BLODGET, President. C. W. MARSHALL, Vice-President.
C. E. BLIVEN, Sec. and Treas.
- 1872—DETROIT, MICH., July 17, 18 and 19:
A. C. BLODGET, President. C. W. MARSHALL, Vice-President.
C. E. BLIVEN, Sec. and Treas.
- 1872—CHICAGO, ILL., September 18 (Special):
A. C. BLODGET, President. C. W. MARSHALL, Vice-President.
*R. J. SMITH, President. S. LUMBARD, Vice-President.
C. E. BLIVEN, Sec. and Treas.
- 1873—MILWAUKEE, WIS., July 16 and 17:
R. J. SMITH, President. S. LUMBARD, Vice President.
C. E. BLIVEN, Sec. and Treas.
- 1874—LOUISVILLE, KY., May 20 and 21:
R. J. SMITH, President. S. LUMBARD, Vice-President.
C. E. BLIVEN, Sec. and Treas.
- 1875—CHICAGO, ILL., September 22, 23 and 24:
C. W. MARSHALL, President. J. O. WILSON, Vice-President.
C. E. BLIVEN, Sec. and Treas.
- 1876—CHICAGO, ILL., September 27 and 28:
J. O. WILSON, President. B. VERNOR, Vice-President.
C. E. BLIVEN, Sec. and Treas.
- 1877—CHICAGO, ILL., September 19, 20 and 21:
C. E. BLIVEN, President. P. P. HEYWOOD, Vice-President.
GEO. W. HAYES, Sec. and Treas.
- 1878—CHICAGO, ILL., September 18 and 19:
I. S. BLACKWELDER, President. J. M. DRESSER, Vice-President.
GEO. W. HAYES, Sec. and Treas.
- 1879—CHICAGO, ILL., September 17 and 18:
GEO. W. ADAMS, President. W. B. CORNELL, Vice-President.
GEO. W. HAYES, Sec. and Treas.
- 1880—CHICAGO, ILL., September 8 and 9:
A. W. SPALDING, President. A. J. WATERS, Vice-President.
GEO. W. HAYES, Sec. and Treas.
- 1881—CHICAGO, ILL., September 14 and 15:
J. M. DRESSER, President. E. F. RICE, Vice-President.
GEO. W. HAYES, Sec. and Treas.
- 1882—CHICAGO, ILL., September 6 and 7:
W. B. CORNELL, President. J. M. NEUBERGER, Vice-President.
GEO. W. HAYES, Sec. and Treas.
- 1883—CHICAGO, ILL., August 29 and 30:
JAMES M. DE CAMP, President. C. W. POTTER, Vice-President.
GEO. W. HAYES, Sec. and Treas.

* Elected and entered upon their duties at this session.

HISTORICAL

ANNUAL MEETINGS OF THE ASSOCIATION—Continued.

- 1884—CHICAGO, ILL., September 10 and 11:
CYRUS K. DREW, President. T. J. ZOLLARS, Vice-President.
J. C. GRIFFITHS, Sec. and Treas.
- 1885—CHICAGO, ILL., September 23 and 24:
J. L. WHITLOCK, President. T. H. SMITH, Vice-President.
J. C. GRIFFITHS, Sec. and Treas.
- 1886—CHICAGO, ILL., September 8 and 9:
W. F. FOX, President. H. H. HOBBS, Vice-President.
J. C. GRIFFITHS, Sec. and Treas.
- 1887—CHICAGO, ILL., September 14 and 15:
ABRAM WILLIAMS, President. W. R. FREEMAN, Vice-President.
J. C. GRIFFITHS, Sec. and Treas.
- 1888—CHICAGO, ILL., September 12 and 13:
ISAAC W. HOLMAN, President. J. C. MYERS, Vice-President.
J. C. GRIFFITHS, Sec. and Treas.
- 1889—CHICAGO, ILL., September 17 and 18:
JOHN HOWLEY, President. W. T. CLARKE, Vice-President.
J. C. GRIFFITHS, Sec. and Treas.
- 1890—CHICAGO, ILL., September 10 and 11:
B. A. SIMONDS, President. E. V. MUNN, Vice-President.
J. C. GRIFFITHS, Sec. and Treas.
- 1891—CHICAGO, ILL., October 7, 8 and 9:
H. C. EDDY, President. BYRON G. STARK, Vice President.
E. V. MUNN, Sec. and Treas.
- 1892—CHICAGO, ILL., September 27 and 28:
H. P. GRAY, President. W. P. HARFORD, Vice-President.
E. V. MUNN, Sec. and Treas.
- 1893—CHICAGO, ILL., September 27 and 28:
EUGENE HARBICK, President. E. L. ALLEN, Vice-President.
E. V. MUNN, Sec. and Treas.
- 1894—CHICAGO, ILL., September 26 and 27:
H. CLAY STUART, President. GEO. M. LOVEJOY, Vice-President.
E. V. MUNN, Sec. and Treas.
- 1895—CHICAGO, ILL., September 25 and 26:
W. J. LITTLEJOHN, President. H. C. ALVERSON, Vice-President.
E. V. MUNN, Sec. and Treas.
- 1896—CHICAGO, ILL., September 29 and 30:
GEO. M. LOVEJOY, President. H. T. LAMEY, Vice President.
E. V. MUNN, Sec. and Treas.
- 1897—CHICAGO, ILL., September 29 and 30:
GEO. H. MOORE, President. J. A. KELSEY, Treasurer.
STEPHEN E. CATE, Vice-President. E. V. MUNN, Secretary.
- 1898—*
JOS. H. LENEHAN, President. J. A. KELSEY, Treasurer.
JOHN E. DAVIES, Vice-President. D. S. WAGNER, Secretary.

* Place and Date to be named.

OFFICERS ELECTED

AT THE

TWENTY-EIGHTH ANNUAL MEETING

OF THE

FIRE UNDERWRITERS' ASSOCIATION

OF THE NORTHWEST.

FOR THE ENSUING YEAR 1897-98.

PRESIDENT.

JOSEPH H. LENEHAN.....CHICAGO, ILL.
Special Agent Palatine Ins. Co.

VICE-PRESIDENT.

JOHN E. DAVIES.....RACINE, WIS.
State Agent Aetna of Hartford.

TREASURER.

JOSEPH A. KELSEY.....CHICAGO, ILL.
Manager Aachen and Munich Ins. Co.

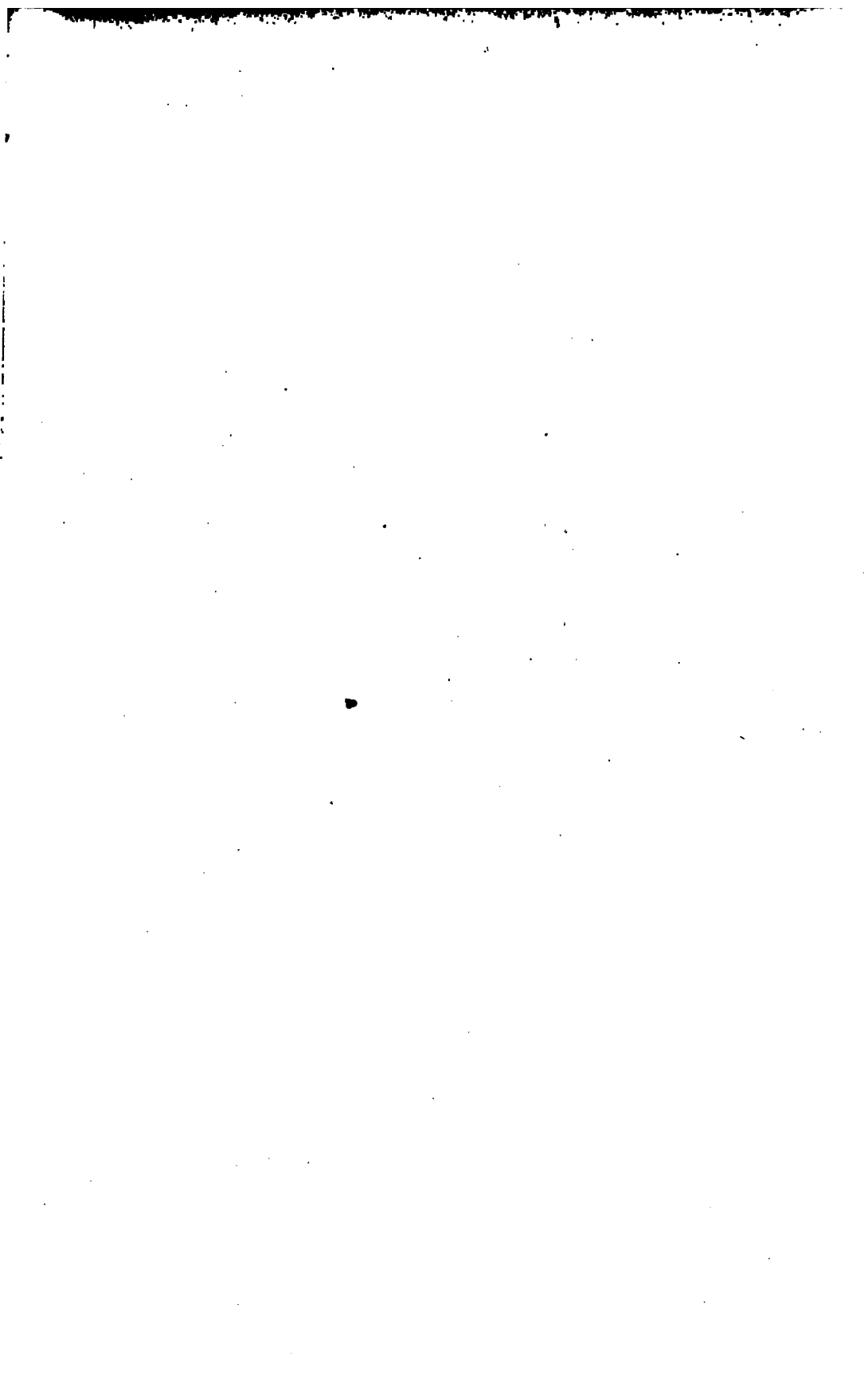
SECRETARY.

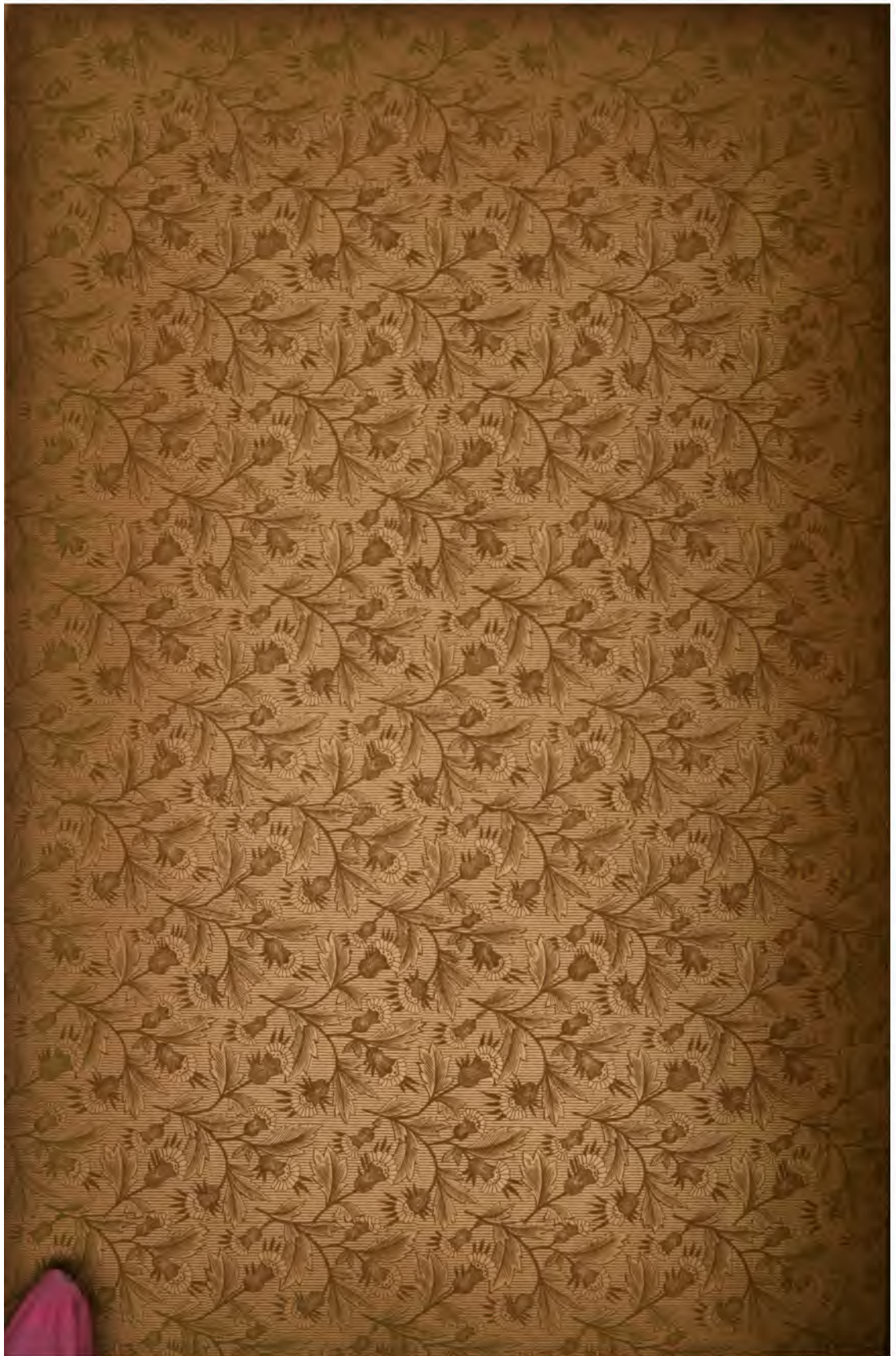
D. S. WAGNER.....CHICAGO, ILL.
Independent Adjuster.

BOARD OF DIRECTORS.

J. H. LENEHAN, Special Agent Palatine Ins. Co.....CHICAGO, ILL.
JOHN E. DAVIES, State Agent Aetna, Hartford.....RACINE, WIS.
J. A. KELSEY, Manager Aachen & Munich Ins. Co.....CHICAGO, ILL.
D. S. WAGNER, Independent Adjuster.....CHICAGO, ILL.
GEO. H. MOORE, Asst. Sec'y Liverpool & London & Globe...CHICAGO, ILL.
S. E. CATE, Spec'l Agt. and Adj'r. Delaware and Reliance.....CHICAGO, ILL.
E. V. MUNN, Adjuster.....CHICAGO, ILL.
J. C. GRIFFITHS, Asst. Mgr. N. British & Mercantile.....CHICAGO, ILL.
A. E. PINKNEY, State Agent Phenix, Brooklyn.....KANSAS CITY, MO.
J. P. SHERIDAN, Sec'y Saginaw Valley F. & M.....EAST SAGINAW, MICH.
R. L. RAYNOLDS, State Agent Connecticut, Hartford.....OMAHA, NEB.
M. W. VAN VALKENBURG, Special Agent L. & L. & G.....TOPEKA, KANS.
JOHN C. INGRAM, Spec'l Agt. and Adj'r. German-Am...INDIANAPOLIS, IND.







C. St.

